

Virginia529 inVESTSM

Program Description & Privacy Policy



Virginia529 SM
College Savings Plan

As of January 1, 2016

Important changes to this document have occurred. Please read and file along with this document all supplements listed below, which are located at the end of this document.

Supplement 1 dated January 1, 2016

Supplement 2 dated March 28, 2016

Supplement 3 dated April 29, 2016

Supplement 4 date May 20, 2016

Supplement 5 date July 1, 2016

IMPORTANT NOTICE

This Program Description, Account Agreement, Application and Privacy Policies do not constitute an offer to sell or the solicitation of an offer to buy any security other than an investment in the inVEST program offered hereby, nor does it constitute an offer to sell or the solicitation to any person in any jurisdiction or under any circumstances in which it would be unlawful.

No security issued by the Virginia College Savings Plan has been registered with or approved by the United States Securities and Exchange Commission or any state securities commission. Further, neither the Accounts nor this Program Description, Account Agreement, Application or Privacy Policies are subject to oversight by the Financial Industry Regulatory Authority or the Municipal Securities Rulemaking Board.

There are investment, tax, and other risks associated with opening an inVEST Account. Your investment in inVEST is not guaranteed, and is not FDIC insured so it may lose value.

Customers should obtain all enrollment materials, including this Program Description, by calling 1-888-567-0540 or by visiting **Virginia529.com**, and read them carefully before investing. You should keep the documents for future reference. Prospective participants should seek the advice of a professional concerning any financial, tax, or legal implications related to opening an account. For residents of states other than Virginia: your state or the Beneficiary's state of residence (if different) may sponsor an IRC Section 529 plan that offers state income tax or other benefits not available to you through the Virginia College Savings Plan.

The information contained in the Program Description is believed to be accurate as of the date of the Program Description and is subject to change without prior notice. Account Owners should rely only on the information contained in the Program Description. No one is authorized to provide information about inVEST that is different from the information contained in the Program Description. Please visit our website, **Virginia529.com**, for the most current Program Description.

The Virginia College Savings Plan cannot and does not provide legal, financial or tax advice and the following information should not be construed as such with respect to the consequences for any particular individual as a result of Contributions or Distributions from a Virginia College Savings Plan account.

Section 529 Qualified Tuition Programs (QTPs) are intended to be used only to save for Qualified Higher Education Expenses (QHEE). These Programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

Summary of Plan Features

The following summary directs you to more complete information in this Program Description. **You should read the entire Program Description before you invest in Virginia529 inVESTSM.** Please see the Glossary for a definition of capitalized terms.

Program Administrator:

- Virginia College Savings PlanSM (Virginia529SM) is the Administrator and sponsor of inVEST.

Virginia529 Contact Information:

- Mailing address: 9001 Arboretum Parkway, North Chesterfield, VA 23236
- Local telephone: 804-371-0766
- Toll-free telephone: 1-888-567-0540
- Fax number: 1-866-757-1295
- Email: customerservice@virginia529.com
- Web site: **Virginia529.com**
- Hours of operation: 8:30 a.m.-5:00 p.m., EST Monday-Friday (closed federal and most state holidays; please visit our web site for specific closing information)

Opening An Account:

See page 9 / Opening an Account

Application and Account Information

- Read the Program Guide and Program Description.
- Open an Account online at **Virginia529.com**.
- View Account information online through My Account at **Virginia529.com**. Account Owners create their own login and password when they open an Account online.

Account Owner/Agent

- You do not need to be a Virginia Resident to participate in inVEST as an Account Owner.
- Must be a U.S. citizen or legal U.S. resident to own an Account.
- An Account Owner must be at least age 18, and have a valid U.S. Social Security or Taxpayer Identification Number.
- Trusts, partnerships, and corporations can be Account Owners with an appropriate contact. Please see "Opening an Account" for required documentation.
- No joint ownership. Only one person may own an Account.
- Accounts may be held in the name of a custodian for a minor under the Uniform Transfers to Minors Act/Uniform Gifts to Minors Act. Opening a custodial Account does not by itself establish a UTMA/ UGMA account. There may be tax consequences.

Account Control

- Only the Account Owner retains control over how, when and whether the money in an Account is used.
- You may withdraw (distribute) money anytime from the Account however, Non-Qualified Distributions are subject to applicable taxes and penalties.

Beneficiary

- You do not need to be a Virginia resident to participate in inVEST as a Beneficiary.
- A Beneficiary may be any age and must be a U.S. citizen or legal U.S. resident with a valid U.S. Social Security or Taxpayer Identification Number.
- The designated Beneficiary must have been born at the time they are named to the Account.

- The Account Owner can change the Beneficiary as long as the new Beneficiary is a Member of the Family of the prior Beneficiary.

Account Control Limitations:

See page 11 / Changes to an Account

- The investment option in an existing Account for the same Beneficiary can be changed only twice per calendar year.
- The investment option in an existing Account can be changed when changing the Beneficiary of the Account.

Contributions and Account Balances:

See page 10 / Contributing to an Account

- Contributions can be made by anyone. Contributions from non-Account Owners will be deemed to have been made by the Account Owner for Virginia529 record-keeping purposes and for the Virginia state income tax deduction.
- A \$25 minimum initial Contribution is required. No minimum ongoing Contributions are required, with the exception of bringing the Account balance to at least \$250 within the first year.
- Contributions can be made online to be automatically withdrawn from a checking or savings account; or made by check, wire transfer, payroll contribution, electronic bill pay, or Rollover.
- Virginia529 will accept Contributions to an Account until the value of all Virginia529 accounts for the same Beneficiary total \$350,000.

Rollover Contributions and Transfers

- Funds can be rolled over from Virginia529 prePAIDSM or another state's 529 plan to inVEST once every rolling 12 months for the same Beneficiary. Certain documentation is required for Rollover Contributions.
- Liquidated Coverdell Education Savings Accounts (Coverdell ESAs), UTMA/UGMA assets, and redeemed U.S. Savings Bonds can be transferred to a Virginia529 account at any time. Certain documentation is required for Coverdell ESAs and eligible redeemed U.S. Savings Bonds.

Distributions:

See page 12 / Distributions from an Account

Rollover Distributions

- Funds can be rolled over from a Virginia529 account to another state's 529 plan once every rolling 12 months for the same Beneficiary.
- Virginia taxpayers must recapture any previously claimed state income tax deduction for funds rolled over to another state's 529 plan.

Qualified Distributions

- Assets in the Account can be used to pay for Qualified Higher Education Expenses, which include tuition and fees; room and board (with some limitations); and books, supplies, and equipment required for enrollment or attendance at any Eligible Educational Institution in the United States and abroad, including special needs services for a beneficiary with special needs.

Non-Qualified Distributions

- Earnings on distributions not used for Qualified Higher Education Expenses will be subject to federal and state income tax and a federal tax of 10% of the earnings except in case of the death, Disability or receipt of scholarship.

Investments:

See page 18 / Investment Portfolios

Investment Managers

- Virginia529's Board is responsible for long-term asset allocation guidelines, asset allocation strategy, and the selection of investment managers and Mutual funds. Upon the Board's direction or at the direction of Virginia529's Chief Executive Officer, the Board's Investment Advisory Committee is responsible for,

among other things, interviewing, selecting and/or terminating investments and investment managers that professionally manage the moneys within inVEST. In carrying out these duties, the Board and the Investment Advisory Committee consult with the Board's investment consultant.

Investment Options

- Account Owners may choose between Age-Based Portfolios that automatically adjust their asset allocations over time, and Static Portfolios that maintain fixed allocations.

Investment Portfolios

- 9 Age-Based investment Portfolios (including 2 closed to new participants) and 12 Static investment Portfolios are offered.
- Investment Portfolios include investments in a variety of funds managed by professional active and indexed investment managers.
- You may choose as many Portfolios as you wish. Each Portfolio you choose will be a separate Account.

Fees and Other Charges:

See page 35 / Fees and Expenses

- Virginia529 does not charge fees for annual maintenance, investment direction changes, Distributions, or transfers.

Underlying Asset Management Fees

- All investment Portfolios include the expense of the underlying Fund. The Asset Management Fees vary. As of June 30, 2015, the Asset Management Fees range from 0.04% to 0.67%.

Virginia529 inVEST Administrative Fee

- Virginia529 charges an Administrative Fee of 0.15%.

Expense Ratio

- The Expense Ratio is comprised of the Asset Management Fee and the inVEST Administrative Fee.

Other Fees

- Virginia529 may charge other fees for Application, wire transfers, nonsufficient funds for Contributions, changing the Account Owner or Beneficiary (waived in the event of death of the Account Owner or Beneficiary), and other fees as shown in the Other Fees Chart.

Tax Advantages:

See page 16 / Virginia and Federal Tax Considerations

- For mailed Contributions to be processed and included on the final statement of the calendar year, they must be received and deposited by Virginia529 before close of business on the last Business Day of the year.
- Please visit **Virginia529.com** for detailed information on holiday operating times and online Contribution information.

Federal Tax Benefits

- Earnings grow federal income tax-deferred while in an inVEST Account and remain tax-free when used for Qualified Higher Education Expenses.
- No gift tax on Contributions up to \$14,000 per person (\$28,000 if filing jointly), or \$70,000 (\$140,000 if filing jointly) with a five-year averaging election.
- Other education tax incentives may be affected by a Distribution.

Virginia State Income Tax Benefits

- Earnings grow Virginia state income tax-deferred while in an inVEST Account and remain tax-free when used for Qualified Higher Education Expenses.
- Virginia taxpayers filing an individual income tax return may deduct their Contributions to each Virginia529 account they own, up to \$4,000 per account each year with unlimited carryforward.

- Account Owners who are at least 70 years of age may deduct their entire Contribution each year.
- Other states may offer residents and taxpayers additional tax or other benefits if they invest in their own state plan.

Penalties for Non-Qualified Distributions

- Account Owners who take a Non-Qualified Distribution must report the earnings as income on their federal tax return in the year they receive the Distribution. Subject to certain exceptions, they must also report a 10% federal penalty on those earnings. Virginia taxpayers will need to recapture any deductions they have previously taken on the amount of the Non-Qualified Distribution unless it is made due to reason of the beneficiary’s death, disability or receipt of a scholarship.

Risk Factors:

See page 14 / Risk Considerations of Program Participation & page 18 / Investment Risks

- For a complete discussion of risk factors associated with inVEST, please see “Risk Consideration of Program Participation” and “Investment Risks” in the Program Description.

Privacy Policy:

See page 40 / Virginia529 Privacy Policy & Virginia529 Web Site Privacy Statement and Disclaimer

- Virginia529 respects your right to privacy and recognizes its obligation to keep your information secure and confidential. Please see “Virginia529 Privacy Policy” and “Virginia529 Web Site Privacy Statement and Disclaimer.”

Sources of Additional Information:

- These organizations are resources for additional information about IRC Section 529 plans and specific details on items related to IRC Section 529 plans:
 - Internal Revenue Service (IRS) at irs.gov or 1-800-829-1040. Contact the IRS for Publication 970 and other publications.
 - Department of Education (DOE) at ed.gov. DOE Office of Federal Student Aid at fafsa.ed.gov or 1-800-433-3243. Contact the Department of Education for information on completing the Free Application for Federal Student Aid (FAFSA) or finding a Federal School Code for an Eligible Educational Institution.
 - Department of Public Debt at treasurydirect.gov. Contact the Department of Public Debt for information on the U.S. Savings Bond education program.
 - Virginia Department of Taxation at tax.virginia.gov or 804-367-8031. Contact the Department of Taxation for information on the Virginia state tax deduction, exemption, or recapture.



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Virginia529 inVEST PROGRAM DESCRIPTION

As of January 1, 2016

This Program Description and other documents included in the Program Guide contain important information you should review before participating in the Virginia529 inVESTSM (inVESTSM) program, sponsored by the Virginia College Savings PlanSM (Virginia529SM). Please read it carefully and keep it for future reference. No one is authorized to provide information that is different from the information contained in this Program Description. If you speak with an interpreter provided by Virginia529, please be advised that Virginia529 is not responsible for any miscommunication of facts concerning inVEST during such conversations. The information in this Program Description is believed to be accurate as of the date of issuance and is subject to change without notice. By statute, inVEST Accounts are not deposits or obligations of, or insured or guaranteed by, Virginia529, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation (FDIC) or any other federal or state governmental agency, entity or person. Neither the Board of Virginia529 nor the Commonwealth of Virginia has a legal or moral obligation to insure the payout of any amount of any Contribution or earnings to an Account, or guarantees that there will be any investment return, or investment return at any particular level, with respect to any Account.

inVEST Accounts involve investment risk and may lose value. The value of your Account will vary depending on market conditions and the performance of the investment option you select, and it may be more or less than the amount you deposited. You could lose money – including the principal you invest – or not make money if you invest in inVEST. **Past performance of investments is not an indicator of future returns.**

Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.

inVEST is designed and is administered to comply with all requirements for treatment as a Qualified Tuition Program (QTP) under Section 529 of the Internal Revenue Code of 1986, as amended (IRC Section 529). As of the date of this printing, the Internal Revenue Service (IRS) has not issued final regulations concerning the application of IRC Section 529 to Qualified Tuition Programs. Final regulations, changes to the Internal Revenue Code (IRC), changes to the Code of Virginia or state or federal court decisions could affect the tax consequences of participation in a Qualified Tuition Program like inVEST. Such changes could be retroactive. Virginia529 may modify inVEST as necessary in the future to comply with any such changes in order to preserve, if possible, favorable tax treatment.

In addition to inVEST, Virginia529 administers the Virginia529 prePAIDSM (prePAIDSM) program, a prepaid tuition program, CollegeAmerica[®], a college savings program featuring the American Funds[®] mutual fund portfolios, offered exclusively through authorized brokers and financial advisers, and CollegeWealth[®], a college savings program featuring FDIC-insured deposit accounts offered in partnership with BB&T and Union Bank & Trust[®]. prePAID, CollegeAmerica and CollegeWealth are not described in this Program Description. For more information about prePAID or CollegeWealth, please call toll free at 1-888-567-0540, or visit Virginia529's website at Virginia529.com. For information on CollegeAmerica, please contact your financial adviser or the American Funds[®] at 1-800-421-0180, ext. 529, or visit AmericanFunds.com.

The Virginia individual income tax deduction for Contributions

to inVEST is available only to Virginia taxpayers who are Account Owners. For residents of states other than Virginia: If your state or the Beneficiary's state of residence (if different) sponsors a 529 plan, that plan may offer state income tax or other benefits not available to you through inVEST.

Please consult your financial or tax adviser for further information.

Glossary of Terms

"Account" means the separate inVEST account set up for each Portfolio by an Account Owner. Since each Account can have only one Portfolio, the same Account Owner may have multiple Accounts for the same Beneficiary in different Portfolios. Each investment by the same Account Owner will result in a separate Account as long as the Account Owner, the Beneficiary or the Portfolio is different. The same Account Owner may not establish multiple Accounts for the same Beneficiary in the same Portfolio.

"Account Owner", defined as "Contributor" in Section 23-38.75 of the Code of Virginia (1950), as amended, means a person who is at least 18 years of age and is either a U.S. citizen or a legal U.S. resident, or a corporation, partnership, trust, charitable organization, or any other persons described in Section 7701(a)(1) of the Internal Revenue Code of 1986, as amended (26 U.S.C. Section 7701(a)(1)), and who is reflected on Virginia529's records as the owner of record of the Account. There may only be one Account Owner per Account. Trustees or other fiduciaries are responsible for determining whether the terms of a trust allow ownership of an Account. Virginia529 will not interpret trust documents and the trustee or other fiduciary bears all liability for such determination. Any person or entity may make Contributions to an inVEST Account, but only the Account Owner may execute all other inVEST Account transactions, including Rollovers, transfers, cancellations, Distributions, or refund requests. All Contributions are deemed to come from the Account Owner for all state tax reporting and other administrative purposes regardless of the source of the funds for the Contribution. Individuals who are not Account Owners have not established a customer relationship with inVEST and have no legal rights with regard to an inVEST Account. Any requests to change the Account Owner must be signed by both the current Account Owner (or the current Account Owner's personal representative if appropriate documentation has been submitted to and acknowledged by Virginia529) and the new designated Account Owner.

"Active Management" means an approach to investment management which aims to outperform a particular market index or benchmark through Asset Allocation and/or security selection decisions.

"Agreement" means the Program Description, as amended from time to time, including the inVEST Account Agreement, the Application, and if applicable, the signed Account Owner Change Form and Purchaser Acceptance Form.

"Application" means the form (whether hard copy or online) completed by the Account Owner and submitted to open an inVEST Account for a designated Beneficiary.

"Asset Allocation" means the way an investment Portfolio is divided among various Asset Classes, such as cash

investments, bonds, and stocks. Also known as investment mix.

“Asset Classes” means the general categories of investments. The three major asset classes are cash investments, bonds, and stocks.

“Asset Management Fee” means the weighted average of an underlying Fund’s annual operating expense expressed as a percentage of average net assets or a separate account’s asset-based fee. The Asset Management Fee includes asset management fees of the underlying Funds, Fund administrative fees, and any marketing and distribution fees (also known as asset-based sales charges).

“Balanced Fund” means a Mutual Fund that seeks to provide some combination of growth, income, and conservation of capital by investing in a mix of stocks, bonds, and/or money market instruments.

“Beneficiary” means an individual who is named as the designated beneficiary on the Application as provided for in this Program Description, and who is entitled to receive the benefits from an inVEST Account. A Beneficiary must be either a U.S. citizen or a legal U.S. resident. A Beneficiary must have been born at the time the Beneficiary is named. An Account Owner may change the Beneficiary of an Account at any time by completing a Beneficiary Change form as provided for in this Program Description.

“Board” means the Board of Virginia529.

“Business Day” is any day on which Virginia529 is open for carrying on substantially all of its functions and excludes Saturdays, Sundays, and state holidays. Contributions may not be invested or Distributions may not be withdrawn on normal Business Days that Virginia529 is open but the New York Stock Exchange (NYSE) is closed.

“Contributions” are funds contributed to an Account for the benefit of a Beneficiary and intended to pay for the Beneficiary’s Qualified Higher Education Expenses (QHEE) at an Eligible Educational Institution (EEI). Contributions must be in the form of cash, not property or Securities.

“Designated Survivor” means the person who will assume Account ownership in the event of the Account Owner’s death. The Designated Survivor may be named by the Account Owner on the Application or by the Account Owner sending Virginia529 a written and signed notification. At the time they are named as such, Designated Survivors must be eligible to become Account Owners pursuant to the terms of this Agreement. The Designated Survivor does not have any control over or access to information about the inVEST Account until and unless they become the Account Owner.

“Disabled” means that a Beneficiary is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless proof of the existence thereof in such form and manner as may be required by applicable regulations is furnished.

“Distribution” means a withdrawal from an Account. Please see also “Non-Qualified Distribution” and “Qualified Distribution”.

“Eligible Educational Institution” (EEI) follows the definition of that term as found in IRC Section 529. Generally, the term includes accredited post-secondary educational institutions offering credit toward a bachelor’s degree, an associate’s degree, a graduate level or professional degree, or another

recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions are also Eligible Educational Institutions. The institution must be eligible to participate in a student financial aid program under Title IV of the Higher Education Act of 1965 (20 U.S.C. Section 1088). A complete list of such institutions can be found at fafsa.ed.gov.

“Equity” in investing, means ownership in a company. Often used as a synonym for stock.

“Expense Ratio” means a Portfolio’s annual operating expenses expressed as a percentage of average net assets. The Expense Ratio includes Asset Management Fees and the Virginia529 inVEST Administrative Fee.

“Fixed Income Securities” means investments, such as bonds, that have specific interest rates.

“Fund” means the Mutual Funds or separately managed investment accounts in which assets of the Portfolios are invested.

“Global Fund” means a Mutual Fund that invests in stocks of companies both in the United States and in foreign countries.

“Growth Fund” means a Mutual Fund whose primary investment objective is growth of capital. It invests primarily in common stocks with growth potential.

“High-Yield Fund” means a Mutual Fund that invests primarily in bonds with a credit rating of BB or lower. Because of the speculative nature of high-yield bonds, high-yield funds are subject to greater share price volatility and greater credit risk than other types of bond funds.

“inVEST Administrative Fee” means the fee charged by Virginia529 for oversight of the inVEST program.

“Index Fund” means a type of Mutual Fund that seeks to “track” the performance of a particular market index by buying and holding all or a representative sample of the Securities that appear in the index, in the same proportions as their index weightings.

“Inflation-Indexed Securities” means bonds issued by the U.S. government, government agencies, or corporations whose principal or interest payments – unlike those of conventional bonds – are adjusted over time to reflect inflation.

“International Fund” means a Mutual Fund that invests in stocks of companies outside of the United States. Foreign markets present additional risks, including currency fluctuation and political instability. In the past, these risks have made prices of foreign stocks more volatile than those of U.S. stocks.

“Investment Portfolio”, see “Portfolio”.

“Investment Grade” means a bond whose credit quality is considered to be among the highest by independent bond-rating agencies.

“Market Capitalization” means a determination of a company’s value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Also called capitalization.

“Market Fixed Income” means a wide spectrum of public Investment Grade, taxable, Fixed Income Securities in the United States including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed Securities, all with maturities of more than one year.

“Member of the Family” is defined by IRC Section 529

as follows: a son or daughter, or a descendant of either; a stepson or stepdaughter; a brother, sister, stepbrother, or stepsister; the father or mother, or an ancestor of either; a stepfather or stepmother; a son or daughter of a brother or sister; a brother or sister of the father or mother; a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; the spouse of the Beneficiary or the spouse of any individual described above; or a first cousin of the Beneficiary. For purposes of determining who is a Member of the Family, a legally adopted child of an individual shall be treated as the child of such individual by blood. The terms "brother" and "sister" include half-brothers and half-sisters.

"Mutual Fund" means an investment vehicle that pools shareholder money and invests it in a variety of Securities. Each investor owns shares of the fund, and can buy or sell these shares at any time.

"Net Asset Value" (NAV) means the value of each Unit in a Portfolio calculated after 4:00p.m. ET on each Business Day the New York Stock Exchange is open. The Net Asset Value is computed by dividing the total value of each Fund that makes up a Portfolio, plus any receivables and less any liabilities of the Portfolio, by the number of outstanding Units of the Portfolio. The Net Asset Value for a Portfolio applicable to calculations related to an inVEST Account, including Contributions and both Qualified and Non-Qualified Distributions, is the Net Asset Value calculated for that Portfolio for the same Business Day the Contribution is actually invested on behalf of the Account Owner in the Portfolio selected or the amount to be distributed is actually withdrawn from the Portfolio.

"Non-Qualified Distribution" means a Distribution from an inVEST Account made for any reason other than for: (1) the properly documented Qualified Higher Education Expenses of the Beneficiary or (2) a qualified Rollover to another Qualified Tuition Program, including prePAID. Non-Qualified Distributions will be subject to federal income tax on the earnings and Virginia state income tax on the earnings for Virginia taxpayers, as well as a federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Non-Qualified Distributions may require the recapture of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to an inVEST Account. Virginia529 does not determine whether or not a Distribution is Qualified or Non-Qualified. **Non-Qualified Distributions due to a Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will not be subject to the 10% federal penalty on earnings.** Scholarship Distributions are limited to the amount of the scholarship.

"Passive Management" means an approach to investment management which aims to replicate a particular market index or benchmark and does not attempt to actively manage the portfolio.

"Pending Settlement Period" defined in Contributing to an Account and Distributions from an Account sections.

"Portfolio" or **"Investment Portfolio"** means one of the investment options available to an inVEST Account Owner. New Portfolios may be created periodically by Virginia529. Virginia529 reserves the right to make changes to the Asset Allocations of any Portfolio or to change or add investment managers or Mutual Funds at any time if it deems it appropriate to do so, and is not required to provide advance notice to Account Owners before making such changes. Virginia529 may also close Portfolios and move those Accounts into a Portfolio it deems comparable. Notice of any material change in the Asset Allocations of the Portfolios or the investment managers or Mutual Funds described in this

Program Description will be provided to Account Owners as soon as it is reasonably practical to do so. Such notification may be made via Virginia529's website, **Virginia529.com**.

"Qualified Distribution" means a Distribution made for the properly documented Qualified Higher Education Expenses of the designated Beneficiary or a qualified Rollover to another Qualified Tuition Program. The taxpayer is solely responsible for determining whether a Distribution is a Qualified Distribution or Non-Qualified Distribution. Virginia529 does not determine whether a Distribution is Qualified or Non-Qualified.

"Qualified Higher Education Expenses" (QHEE) means the expenses allowed under IRC Section 529. Generally, these include the following: (1) tuition, all mandatory fees, and the costs of textbooks, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Eligible Educational Institution; (2) expenses for special needs services in the case of a special needs Beneficiary which are incurred in connection with such enrollment or attendance; and (3) the costs of room and board of a Beneficiary during any academic period during which the Beneficiary is enrolled at least half-time in a degree, certificate, or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution. The allowable amount of room and board expenses for students living on campus is the actual amount invoiced by the Eligible Educational Institution. For students who live off campus or at home, the allowable amount for room and board expenses is the applicable room and board amount for that period used by the Eligible Educational Institution in determining its cost of attendance. A student will be considered to be enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined under the standards of the institution where the student is enrolled. The institution's standard for a full-time workload must equal or exceed the standard established by the Department of Education under the Higher Education Act and set forth in 34 Code of Federal Regulations Section 674.2(a).

"Qualified Tuition Program" (QTP) as defined by IRC Section 529(b)(1) means a program established and maintained by a State or agency or instrumentality thereof or by one or more eligible educational institutions under which a person may make Contributions to an account which is established for the purpose of meeting the Qualified Higher Education Expenses of the designated Beneficiary of the account. Virginia529 currently sponsors four programs, which are inVEST, prePAID, CollegeWealth and CollegeAmerica.

"Real Estate Investment Trust" means a publicly-traded company that invests in real estate and distributes almost all of its taxable income to shareholders. REITs often specialize in a particular kind of property. They can, for example, invest in real estate such as office buildings, shopping centers, or hotels; purchase real estate (an Equity REIT); and provide loans to building developers (a mortgage REIT). REITs offer the opportunity for smaller investors to invest in real estate.

"Rollover" is a tax-free reinvestment of a Distribution from one Qualified Tuition Program to another. Once funds are distributed there is a 60-day time frame in which funds must be deposited into the new Qualified Tuition Program. IRS regulations allow only one Rollover for the same Beneficiary during a rolling 12-month period.

NOTE: Requests to move funds among inVEST, CollegeAmerica, or CollegeWealth are not considered Rollovers. Please see the section "Changing Investment Options".

"Securities" means stocks, bonds, money market instruments, and other investment vehicles.

“Stable Value” means a fund designed to preserve capital while providing steady, positive returns. Stable value funds are invested in wrap or investment contracts issued by insurance companies or banks, which are in turn backed by one or more high quality, diversified fixed income portfolios. The fixed income portfolios provide investment returns, while the wrap or investment contracts are designed to protect against interest rate volatility by providing for the payment of plan-related withdrawals at book value (cost plus accrued interest). These contracts also provide for periodic interest crediting rates that are used to post interest earnings to Account Owner Accounts daily. The provision for making plan-related withdrawals at book value enables the stable value fund to be accounted for daily at its book value and to post interest returns to its Account Owners.

“Units” represent an ownership interest in a Portfolio purchased with Contributions to an inVEST Account.

“Volatility” means the degree of fluctuation in the value of a Security, Mutual Fund, or index, and it is often expressed as a mathematical measure such as a standard deviation.

Glossary Footnotes:

¹ The Vanguard Group, Inc. (1995-2012). Glossary. Retrieved November 9, 2015, from <http://vgi.vg/1QhS9Z9>

Virginia529 inVEST General Information

This Program Description provides details concerning the inVEST Qualified Tuition Program offered by Virginia529, a body politic and corporate and an independent agency of the Commonwealth of Virginia, authorized by Chapter 4.9 of Title 23 of the Code of Virginia (1950), as amended (Sections 23-38.75 through 23-38.87:1). Applications for opening an Account are available online at Virginia529.com, by calling toll free, 1-888-567-0540, or by visiting Virginia529’s office at 9001 Arboretum Parkway, North Chesterfield, Virginia, 23236. The application for, purchase, and ownership of an Account are governed by the terms of the Agreement, Virginia529’s enabling legislation, IRC Section 529, and any applicable rules and regulations.

Opening an Account

To open an Account, you must complete an Application—online at Virginia529.com or hard copy— and submit it along with a nonrefundable Application processing fee of \$50 and your initial Contribution. There are no state residency or income restrictions, and the Account Owner does not have to be related to the Beneficiary. Any individual who is a U.S. citizen or legal U.S. resident and who is at least 18 years old may open an inVEST Account. inVEST Accounts cannot have joint ownership, and only the Account Owner may make changes to or authorize Distributions from the Account. The Account Owner may open multiple Accounts, selecting

Opening an Account

- 1) Read the Program Description
- 2) Gather the information you need
 - a. Name, address, SSN for the Account Owner, Beneficiary, Designated Survivor, and Authorized Individual
 - b. Date of birth (for the Account Owner and Beneficiary)
 - c. Bank information
- 3) Go online to
 - a. Create a login/user profile if you don’t have a login/user profile already or don’t know your login
 - b. Begin the application
 - c. Select the Portfolio or Portfolios you wish to invest in. Remember that selecting multiple Portfolios will create a separate account for each Portfolio.

different Portfolios for the same Beneficiary, at the same time or in the future. Each different Portfolio will constitute a unique Account.

In addition, under current regulations, U.S. trusts, corporations, partnerships, nonprofit organizations, custodians, guardians and other entities may open an Account. Trustees and other fiduciaries are responsible for determining whether the terms of a trust are consistent with the requirements of IRC Section 529 and thus allow ownership of an inVEST Account. Virginia529 will not review trust or other legal documents. The trustee or other fiduciary bears all liability for a determination that an inVEST Account is an appropriate investment. They are also responsible both for administering an Account in a manner consistent with the requirements of IRC Section 529 and also any market losses, charges, or tax consequences in connection with any Account Distributions.

Designating a Beneficiary. When you open an Account, you must designate a Beneficiary, who may be anyone, including yourself, who is a U.S. citizen or legal U.S. resident and was born prior to the opening of the Account. You will need to provide Virginia529 with the Beneficiary’s full name, social security/tax identification number, and date of birth when you open the Account. Trusts, corporations, partnerships, nonprofit organizations and other persons described in IRC Section 7701(a)(1) may open inVEST Accounts for designated Beneficiaries, or for undesignated Beneficiaries as scholarships (if the Account Owner has 501(c)(3) status).

Designating a Survivor. When you open an Account, you must name a Designated Survivor, who is an individual or entity who becomes the Account Owner in the event of your death. Individuals designated must be at least 18 years old at the time of designation. Account Owners may change this designation at any time by written request. Custodial Accounts under Uniform Transfers to Minors /Uniform Gifts to Minors/ statutes shall name the Beneficiary’s estate as the Designated Survivor. Accounts owned by trusts, corporations or other entities do not need a Designated Survivor, but should provide a successor trustee or other contact.

If an Account does not have a valid Designated Survivor at the time of the Account Owner’s death, Virginia529 reserves the right to designate the current Beneficiary of the Account as the new Owner. If the current Beneficiary is under the age of 18, Virginia529 may designate the deceased Account Owner’s executor or administrator, if any, as the custodian under the appropriate Uniform Transfers to Minors /Uniform Gifts to Minors/ statute for the current Beneficiary until the current Beneficiary reaches the age of 18. If no executor or administrator was named or appointed, Virginia529, in its sole discretion, may designate a parent of the current Beneficiary or other third party as the custodian.

Designating an Authorized Individual. When you open an Account, you may name an Authorized Individual. This Authorized Individual may not act on the Account, but may contact Virginia529 and receive information regarding the Account. The Authorized Individual may receive single or recurring duplicate Account statements upon request. No other mailings regarding the Account will be sent to the Authorized Individual, such as Forms 1099-Q, Distribution Guides, or other information. The Authorized Individual does not have any control or authority over the Account in any situation. The Account Owner may designate on the Application (or at any time in the future by written authorization) other individuals who may have access to Account information and may revoke such authorization at any time.

Designating a Legal Representative. When you open an Account, or at any time during the life of the Account, you may provide proof of a legal representative to Virginia529. Virginia529 will need to receive adequate documentation to

confirm the identity and capacity of a legal representative prior to the legal representative being authorized to act on the Account Owner's behalf. Virginia529 is authorized to act upon this designation unless informed otherwise by the Account Owner.

Uniform Transfers to Minors Act (UTMA)/ Uniform Gifts to Minors Act (UGMA)/ Accounts.

Depending on the applicable state law, you may be able to fund an Account with an existing Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) funds, although these types of accounts involve additional restrictions that do not apply to non-custodial Accounts. If you are using UTMA or UGMA funds to establish an Account, you must indicate that the Account is custodial by checking the appropriate box on your Application. Simply checking the appropriate box on the Application does not create an UTMA/UGMA account. Virginia529 is not liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds. UTMA or UGMA custodians must establish Accounts in their custodial capacity separate from any Accounts they may hold in their individual capacity in order to contribute UTMA/UGMA assets. Virginia529 must be notified when the custodianship terminates. Virginia529 will need to receive adequate documentation to confirm the termination of the custodianship. Please contact a legal or tax professional to determine how to transfer existing UTMA or UGMA funds, and what the implications of such a transfer may be for your specific situation. See "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences. Please consult your legal, financial or tax adviser for more information.

Custodial Account Restrictions include but are not limited to the following:

- tax consequences and benefits belong to the Beneficiary
- inability to change the Beneficiary
- Designated Survivor must be the Estate of the Beneficiary
- non-custodial funds contributed to the custodial Account are irrevocable gifts to the minor and become custodial funds

Remember when opening the Account online you must create a login/user profile as a custodian for custodial accounts, separate from any login/user profile you have as an individual for non-custodial funds.

Contributing to an Account

Any individual or entity can contribute funds to an Account at any time but only the Account Owner will have control over the Contributions. All Contributions to an Account are deemed to come from the Account Owner for record-keeping purposes and for the Virginia state income tax deduction. Non-Account Owners have not established a customer relationship with Virginia529 and Virginia529 has no obligation to provide non-Account Owners with any continuing disclosures, Account statements or required notices.

Form of Contributions. All Contributions must be in cash, check, money order, electronic transfer, or similar instrument in U.S. dollar denominations. Virginia529 cannot accept Securities or other property. Contributions may be made by check, one time or recurring automatic bank debit, or payroll deduction if your employer offers this option. Credit or debit cards cannot be used to make Contributions to Accounts. Please have your payroll office contact us if your employer is interested in offering payroll deduction. If you wish to contribute UTMA or UGMA assets that are currently invested in Securities, these investments must first be liquidated before the cash can be contributed to an Account. Any tax liability related to the liquidation will have to be reported.

Minimum Initial Contributions. The minimum Contribution required to open an Account is \$25.

Subsequent Contributions. Additional Contributions to an existing Account may be made at any time and in any amount. The minimum automatic bank debit (ACH) is \$25. Unless you open a unique Account, any additional Contributions you make for that Beneficiary will be invested in your current Portfolio.

Automatic Bank (ACH) Contributions. You may set up one-time or ongoing Contributions from your bank account online at Virginia529.com. Instructions will be included in the Welcome Kit you receive by mail after you submit your Application. Account Owners may terminate automatic withdrawals at any time. An authorization to make automatic withdrawals from your bank will remain in effect until Virginia529 has received notification of its termination and has had a reasonable amount of time to implement the change. Please contact Virginia529 to determine when the termination will be effective. Virginia529, in its sole discretion, may terminate automatic withdrawals if such withdrawals have been returned by the bank three consecutive times. Virginia529 will notify the Account Owner by mail each time an ACH is returned, and on the third notification will advise that the ACH has been terminated.

Rollover Contributions. Virginia529 will accept Rollovers from other Qualified Tuition Programs. If you are funding your Account with funds from another Qualified Tuition Program, you must provide the breakdown of the amount you contributed (basis) and the amount of earnings (gains). For Virginia529 to initiate the rollover, you will need to complete the Rollover & Investment Direction Form and an Account Application. If you have already received the Rollover, you will need to complete the Account Application, and provide appropriate documentation from the other Qualified Tuition Program that shows the earnings portion of the Rollover, such as an account statement showing basis and earnings (or losses) in the account. **If such documentation is not provided to Virginia529 within 60 days of receiving the Rollover, the entire Rollover will be treated as earnings, which may have tax consequences.** Please note that if the Account Owner withdraws funds from a Qualified Tuition Program with the intention of contributing these funds to a Virginia529 Account, it must be done within 60 days of the initial withdrawal. The Net Asset Value applicable to all incoming Rollovers will be the Net Asset Value calculated for the applicable Portfolio on the same Business Day funds are invested in the Portfolio. Please refer to the section on Pending Settlement Period for more information.

Coverdell Education Savings Accounts. Virginia529 will accept Contributions of funds from a Coverdell Education Savings Account (Coverdell ESA). If you are funding your Account with funds from a Coverdell ESA, you must provide the breakdown of the amount you contributed (basis) and the amount of earnings (gains). The transfer is considered a nontaxable withdrawal from the Coverdell ESA. You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation from the trustee or custodian of the Coverdell ESA that shows the earnings portion of the transfer, such as an account statement showing basis and earnings (or losses) in the account. **If such documentation is not provided to Virginia529 within 60 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** IRS Publication 970, "Tax Benefits for Education" is one publication that provides information on Coverdell ESAs and other tax-advantaged higher education accounts. It is available at irs.gov or by calling 1-800-829-1040. Please consult your legal, financial or tax adviser for more information.

Qualified U.S. Savings Bonds. Virginia529 will accept Contributions of funds from qualified U.S. Savings Bonds. If you are funding your Account with funds from certain Series EE or I U.S. Savings Bonds you must provide the breakdown of the amount you contributed (basis) and the amount of

Qualified U.S. Savings Bonds

Not all bond owners may be eligible to transfer their bonds to an IRS Section 529 account. There are specific qualifications for the types of bonds that are eligible and which bond owners may participate without tax consequences. Please visit TreasuryDirect.gov for specific guidelines.

interest earnings (gains). You will need to complete a Coverdell/U.S. Savings Bond Transfer Form and an Account Application, and provide appropriate documentation issued by the financial institution that redeemed the bonds showing basis and earnings of the bond(s), such as a

statement, a Form 1099-INT, or an IRS Form 8815. **If such documentation is not provided within 60 days of receiving the Contribution, the entire transfer will be treated as earnings, which may have tax consequences.** Please ensure that you redeem the bonds in the same calendar year that you fund the inVEST Account. Please contact the Bureau of Public Debt at Treasurydirect.gov for eligibility criteria and income phaseouts for the Savings Bond Education Tax Exclusion, or the IRS at 1-800-829-1040. IRS Publication 970, "Tax Benefits for Education" is one publication that provides information on Education Savings Bonds and other tax-advantaged higher education accounts, and is available at irs.gov. Please see "Sources of Additional Information" in the Summary of Plan Features for contact information. Please consult your legal, financial or tax adviser for more information.

Maximum Account Balances. The Maximum Account Balance, which is the combined total balance of all accounts for a single Beneficiary in all Virginia529 programs (which includes inVEST, prePAID, CollegeAmerica, and CollegeWealth), is limited to \$350,000. Multiple accounts for the same Beneficiary will be combined for purposes of determining whether the Maximum Account Balance has been reached. Once the aggregate balance on all Virginia529 accounts for the same Beneficiary reaches \$350,000 (including any earnings), earnings will continue to accrue but Virginia529 will not accept additional Contributions or Rollovers unless the aggregate value drops below the Maximum Account Balance. This Maximum Account Balance may be recalculated each year based on the estimated cost of seven years of Qualified Higher Education Expenses at the most expensive Eligible Educational Institution in the United States. Contribution of the Maximum Account Balance does not guarantee that the Account balance will be adequate to cover the Qualified Higher Education Expenses of a particular Beneficiary.

Pending Settlement Period. All Contributions will be subject to a Pending Settlement Period, which is the period of time between when a Contribution is received and the time the Contribution is actually invested on behalf of the Account Owner in the Portfolio selected. Contributions in good order received in time to allow for deposit on any Business Day of the week, will generally be invested within three Business Days of deposit. The Net Asset Value used to determine the number of Units purchased in a selected Portfolio will be the Net Asset Value calculated for the applicable Portfolio the same Business Day funds are invested in the Portfolio. Any interest earned on Contributions during the Pending Settlement Period shall accrue to Virginia529 and be used solely to defray administrative and operating expenses.

Virginia529, at its sole discretion, may modify this Pending Settlement Period without prior notice. Please refer to our website, Virginia529.com, for modifications to the Pending Settlement Period.

Changes to an Account

Virginia529 may accept and rely conclusively on any instructions or other communications reasonably believed to have been given by an Account Owner or an authorized legal representative and may assume that the authority of any other authorized person continues in effect until receipt of written notice to the contrary.

Changing the Beneficiary. The Account Owner may change the Beneficiary of an Account at any time. To change the Beneficiary, the Account Owner must complete a Beneficiary Change Form indicating the relationship of the new Beneficiary to the prior Beneficiary. Virginia529 may deny or limit a Beneficiary change if it causes the cumulative value of all the accounts administered by Virginia529 (including inVEST, prePAID, CollegeAmerica and CollegeWealth accounts) for the new Beneficiary to exceed the Maximum Account Balance limit. If there has been a Distribution on the Account, Virginia529 will open a new Account to accomplish a Beneficiary change in order to comply with IRS aggregation rules. A change of Beneficiary may take up to 30 days to process. Once completed, Virginia529 will send a confirmation of the change of Beneficiary to the Account Owner.

A change of Beneficiary is a non-taxable event for federal income tax purposes if the new Beneficiary is a Member of the Family of the prior Beneficiary. If the new Beneficiary is a Member of the Family of the prior Beneficiary and is in the same generation as the prior Beneficiary, the change is not subject to federal gift tax or generation-skipping transfer tax. If the new Beneficiary is in a lower generation than the prior Beneficiary, the transfer will be subject to federal gift tax rules and may be subject to generation-skipping transfer taxation even if the new Beneficiary is a Member of the Family of the prior Beneficiary. Please contact a tax professional for specific information on these provisions and how they may affect your individual situation.

Changing the Account Owner. The Account Owner may transfer the ownership of an Account to another individual or entity, provided that no consideration is given or accepted for the transfer. To transfer an Account to another individual or entity, the Account Owner must submit an Account Owner Change Form. A change of Account Owner may take up to 30 days to process. Once completed, Virginia529 will send a confirmation of the change of Account Owner to the new Account Owner. Once ownership is transferred, the previous Account Owner loses all control over the Account, which includes but is not limited to, the power to change the designated Beneficiary, change the investment direction and to cancel the Account. All transfers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated thereunder. If there has been a Distribution on the Account, Virginia529 will open a new Account to accomplish an Account Owner change in order to comply with IRS aggregation rules. The transfer of Account ownership to another individual may have tax

Did you know?

If the Beneficiary doesn't use all the money in an Account you can:

- hold the Account for up to 30 years
- change the Beneficiary on the Account
- cancel the Account and receive a refund

Please see specific details in this Program Description.

consequences. Please contact a tax professional to determine the effect of any such transfer on your individual situation.

Changing Investment Options.

The Account Owner may change all or part of their Virginia529 Account holdings to another investment option within Virginia529 (Investment Option Change) without tax consequences as long as the constraints imposed by the IRS and discussed below are followed. In order to change the investment option, the Account Owner must complete and submit, via mail or fax, a Rollover & Investment Direction Form. When Virginia529 processes a Rollover & Investment Direction Form, Units in the current Portfolio are liquidated and proceeds are used to purchase Units in the new Portfolio. The Net Asset Value used to determine the number of Units of a Portfolio to be liquidated will be the Net Asset Value calculated for the applicable Portfolio the same Business Day funds are withdrawn from the current Portfolio and reinvested into the new Portfolio.

IRS regulations only permit an investment option change twice per calendar year by the Account Owner for all Virginia529 Accounts held for a specific Beneficiary. If an Account Owner owns multiple inVEST, CollegeAmerica and/or CollegeWealth accounts for a specific Beneficiary, changes can be submitted for each Account only if they are submitted at the same time. Submitting more than two changes for a specific Beneficiary on different dates will result in such changes being treated as Non-Qualified Distributions for tax purposes. See "Non-Qualified Distributions" for further information. If the Beneficiary is changed at any point during the year, the investment option may be changed at that time.

This applies only to Contributions already invested. You may open a new Account at any time to invest future Contributions in a different investment option.

Changes to Portfolios done under the direction of Virginia529, such as changes to the allocations in the Age-Based Portfolios, are not considered by the IRS to be an Investment Option Change, and do not count toward the twice -per-calendar-year restriction.

Examples of Changing Investment Options:

- Bill holds one Account for Bill Jr. and wants to change the Portfolio from Stock Market to Bond Market.
 - OK if there has been no more than one investment change made this calendar year on Bill Jr.'s Account. Bill can make up to two investment changes for this Beneficiary, Bill Jr., this calendar year.
- Bill holds two Accounts for Bill Jr. and wants to change one Portfolio from Stock to Bond and the other Portfolio from International to Inflation Protected.
 - OK if change request is submitted on the same day for both Accounts and there have been no more than one investment change made this calendar year on either Account. Bill can make up to two investment changes for this Beneficiary, Bill Jr., this calendar year.
- Bill holds two Accounts for Bill Jr. and wants to change one Portfolio from Stock to Bond and leave the other in the current Portfolio.
 - OK if there has been no more than one investment change made this calendar year for any Account for Bill Jr. Bill can make up to two investment changes for Bill Jr.'s Accounts, in total this calendar year.
- Bill holds one Account for Bill Jr. and wants to change the Portfolio from Stock to Bond and one Account for Jill that he does not want to change at this time.
 - OK if there has been no more than one investment change made this calendar year for the Account of which Bill Jr. is the Beneficiary. Bill can make up to two investment changes for this Beneficiary, Bill Jr., this calendar year. Bill can still make up to two changes to Jill's account in this calendar year.

Changing an Address. Account Owners can change their address, the Beneficiary, Designated Survivor, or Authorized Individual's address by completing and submitting the Change of Address form available at Virginia529.com, by logging in to their online account, or by calling Virginia529 at 1-888-567-0540.

Changing a Name. Account Owners can change the Account Owner, Beneficiary or Designated Survivor's name on the Account in the event of marriage, divorce, or other legitimate legal reasons. Please send a signed request and adequate legal documentation to initiate the change.

Distributions from an Account

For tax reporting purposes the IRS considers Distributions to be either a Qualified Distribution or Non-Qualified Distribution, each of which is described in the Glossary of Terms. The Account Owner may request a Distribution from their Virginia529 Account at any time by submitting a completed and signed inVEST Distribution Request Form. Any Distribution must be made from available funds as determined by Virginia529 in its sole discretion. Distribution requests received for amounts in excess of the available balance will be held five (5) business days or more in order to ensure sufficient funds are available to process the Distribution. All Distributions from an Account will be made subject to the Pending Settlement Period which represents the period of time between when a Distribution request is received and the amount to be distributed is actually withdrawn from the Portfolio. Distribution requests in good standing received and processed by close of business each day will generally be withdrawn from the applicable Portfolio within three Business Days of receipt. The Net Asset Value used to determine the number of Units of a Portfolio liquidated will be the Net Asset Value calculated for the applicable Portfolio on the same Business Day the Distribution amount is withdrawn from the Portfolio. Virginia 529 is not responsible for market fluctuations during the Pending Settlement Period. **Virginia529, at its sole discretion, may modify this settlement schedule without prior notice. Please refer to our website, Virginia529.com, for any modifications to the Pending Settlement Period.** Please allow seven to ten Business Days for delivery of your Distribution once processed from your Account. Virginia529 is not responsible for any late fees imposed by educational institutions, nor is Virginia529 responsible for payment of any higher education expenses that exceed the current balance of an Account at the time a Distribution is requested or made.

The amount available for Distribution from an Account may be more or less than the amounts contributed. Virginia529 is not responsible for market fluctuations between the time of the Distribution request and the time the Distribution is processed.

NOTE: The taxpayer is solely responsible for determining whether a Distribution is a Qualified Distribution or a Non-Qualified Distribution. Virginia529 will issue an IRS Form 1099-Q (Qualified Tuition Program Payments) reflecting the earnings amount of all Distributions for tax purposes. The taxpayer is solely responsible for any necessary tax reporting. Please consult your legal, financial or tax advisor for more information.

Qualified Distributions. Qualified Distributions are used for Qualified Higher Education Expenses at any Eligible Educational Institution, as defined in the Glossary of Terms. Qualified Higher Education Expenses include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated Beneficiary at an Eligible Educational Institution. Additionally, room and board is a Qualified Higher Education Expense when the Beneficiary is attending at least half time. It also includes expenses for special needs services which are incurred in connection with enrollment

or attendance in the case of a Beneficiary with special needs. Generally, an Eligible Educational Institution is any college, university, vocational school, graduate or professional school, or other postsecondary educational institution eligible to participate in a student aid program administered by the Department of Education. Qualified Distributions may be applied at certain foreign institutions of higher education on a case-by-case basis. Please contact the higher education institution or check the Department of Education website at ed.gov for specific information or to determine if the institution is an Eligible Educational Institution.

In an Advance Notice of Proposed Rulemaking issued on January 18, 2008, the Department of the Treasury and the IRS indicated that they are considering proposing a rule that would require Distributions and expenses to be matched up in the same tax year, or by March 31st of the following tax year. While there is no final rule on this issue, you should consider this possible requirement when making decisions concerning your Account(s).

Non-Qualified Distributions. Non-Qualified Distributions are Distributions for any purpose other than Qualified Higher Education Expenses at an Eligible Educational Institution or a qualified Rollover to another Qualified Tuition Program. Earnings on Non-Qualified Distributions will be subject to federal income tax, as well as a federal penalty of 10% of the earnings. Virginia529 will not withhold taxes or penalties due on a Non-Qualified Distribution. The taxpayer is responsible for reporting taxes and penalties due on the taxpayer's federal tax return. For those Account Owners who pay Virginia income taxes, earnings on Non-Qualified Distributions are reportable on state tax returns and any deductions taken in previous years related to Contributions may need to be recaptured. Account Owners who do not pay Virginia income tax should check with their state tax department to determine the treatment of Non-Qualified Distributions.

Non-Qualified Distributions resulting from the Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will be subject to federal income tax on the earnings, but will not be subject to the 10% federal penalty on earnings and, for Virginia taxpayers, will not be subject to Virginia income tax. Account Owners should retain proof of death, disability or receipt of scholarship for their records. Virginia529 also may require any documentation necessary in order to establish compliance with IRC Section 529 and any regulations promulgated thereunder. Penalty-free scholarship Distributions are capped at the amount of the scholarship received. See the "Virginia and Federal Tax Considerations" section for information regarding potential tax consequences.

Rollover Distributions. An Account Owner may roll over all or part of a Virginia529 Account to another state's Qualified Tuition Program or to Virginia529 prePAID during an enrollment period provided that a Rollover has not been processed in the previous 12 months for the same Beneficiary. Virginia529 will provide to the new program manager or administrator a statement providing the earnings portion of the Rollover. Rollovers of Accounts to another Qualified Tuition Program may be made any time the Beneficiary is changed to a Member of the Family of the prior Beneficiary. If you wish to roll over to prePAID, prePAID's eligibility requirements and enrollment period limits still apply. Rollover Distributions that meet IRS requirements are not subject to the 10% federal penalty and any earnings are not includible in federal adjusted gross income. Rollover Distribution information will be reported on IRS Form 1099-Q.

To request a Rollover to a non-Virginia Qualified Tuition Program, the Account Owner must complete the required Virginia529 Rollover and Investment Direction Change Form and contact the new account administrator to determine what

documentation is required to process the Rollover. All Rollover Distributions issued to a non-Virginia Qualified Tuition Program shall be issued in a lump sum directly to the designated Qualified Tuition Program within 60 days from the date of the Rollover request. All Rollovers shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529 and any regulations promulgated pursuant thereto.

A Rollover to a non-Virginia Qualified Tuition Program will require the Account Owner to add back to his or her Virginia taxable income any amounts previously deducted from the Account Owner's Virginia taxable income as a result of inVEST Contributions. Please consult a tax adviser for information specific to your individual situation.

Cancellations. Only the Account Owner may cancel an Account and receive a refund of the Account balance. In order to cancel an Account and receive a refund, Virginia529 must receive a written request specifying the Account Owner's name, the Beneficiary's name, the Account number, and any additional supporting documentation as may be required. See the "Non-Qualified Distribution" and "Virginia and Federal Tax Considerations" sections for more information. All refunds shall be issued in a lump sum within 30 days from the date of the cancellation request. If there is an automatic bank debit (ACH) to the Account the cancellation may take up to 45 days. All written requests for expedited refunds in cases constituting hardship will be considered by Virginia529; however, we, in our sole discretion, may not be able to honor the request.

All Distributions, cancellations and refunds shall be construed and administered to comply in all respects with any applicable state or federal statutes or regulations, including, but not limited to, IRC Section 529, and any regulations promulgated pursuant thereto.

Limits on Account Duration

Account Owners have at least 30 years in which to use their inVEST Account. For an Account established before the respective Beneficiary has graduated from high school, the Account Owner has 30 years after the projected date of high school graduation as stated on the Account Application to use all funds from their inVEST Account. For Accounts established after the respective Beneficiary has graduated from high school, the Account Owner has at least 30 years after the date the Account was opened to use all funds from their Account. This time period may be extended upon request. Requests for extension will be considered beginning in the 30th year after high school graduation of the Beneficiary or after Account opening, whichever is later. Virginia529 will use information provided in the Application, or subsequent Beneficiary Change Form in the event the original Beneficiary was changed, to determine the projected date of high school graduation. If an Account is changed to a qualified substitute Beneficiary, the applicable 30-year time limit will be based on the new Beneficiary's projected date of high school graduation or, if the Beneficiary has already graduated from high school, 30 years from the date the Account was changed to the new Beneficiary. Any time spent by a Beneficiary as an active-duty member of any branch of the United States Armed Forces will not be counted toward the 30-year period. Written notification should be submitted to Virginia529 showing the complete length of time the Beneficiary was on active duty.

Title 10 United States Code Section 101(a) defines the United States Armed Forces as Army, Navy, Air Force, Marine Corps, and Coast Guard.

If, after the 30-year period specified above, an Account has a remaining balance, no extension has been requested and Virginia529 cannot locate the Account Owner, the Beneficiary, or any Designated Survivor within the requisite time period, Virginia529 shall report the unclaimed amounts to the State Treasurer as unclaimed property pursuant to Section 55-210.12 of the Code of Virginia (1950), as amended. The value of any such Account turned over as unclaimed property and remaining unclaimed for an additional five years shall be the then-current Account balance less any applicable administrative fees.

Risk Considerations of Program Participation

inVEST is designed to facilitate tax-advantaged savings for the Qualified Higher Education Expenses of a Beneficiary. However, as with any investment product, there are various risks associated with an investment in inVEST. This section describes some of the principal risks associated with participating in the inVEST program, but it does not constitute an exhaustive list of the factors you should consider before opening an Account and making Contributions. An Account Owner may wish to consult a financial or tax adviser before investing in inVEST.

Virginia529 cannot provide legal, financial or tax advice concerning individual investment decisions.

Terms and Conditions. Virginia529 may change the terms and conditions of inVEST at any time or from time to time.

Program Changes. Virginia529 reserves the right to make changes to its program offerings at any time. Account Owners who have established Accounts prior to the time a change is made available may be precluded. Virginia529 is not required by law to continue its program offerings, to accept additional Contributions to existing Accounts, or to allow new Accounts to be opened, among other changes, although Virginia529 currently has no plans for any such limitations. If Virginia529 were to terminate inVEST, such termination may result in a Non-Qualified Distribution for which tax and penalties as described herein may be assessed.

No Guarantees. Accounts are not deposits or obligations of, or Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the FDIC, or any other agency, entity, instrumentality or person. No entity guarantees the return of principal invested or that a particular investment return will be achieved— your Account may lose value.

Investment Risk. Accounts involve investment risk, including the possible loss of principal, which means the value of an Account can and will vary over time. **Past investment results offer no assurance of future returns.** Each Portfolio offered by Virginia529 has different investment risks. Please see the “Investment Portfolio” section for more specific information. Not every Portfolio is appropriate for every investor. An investment in a particular Portfolio may not provide an appropriate balanced investment program for all investors. You should evaluate the Portfolios in the context of your overall individual financial situation, investment goals, risk tolerance, and other investments. See “Investment Risks” for a more specific description of various investment risks that could affect the Portfolios.

No Guarantee of Admission to Any Institution and Related Matters. Having an inVEST Account does not guarantee that: (1) a Beneficiary will be admitted to any institution of higher education; (2) a Beneficiary will be allowed to continue enrollment at any institution of higher education

after admission; or (3) a Beneficiary will be graduated from any institution of higher education. Additionally, a Virginia529 Account does not establish residency for the purpose of obtaining Virginia in-state tuition benefits, which include in-state tuition rates for public institutions or the Virginia Tuition Assistance Grant for private institutions.

No Guarantee of Meeting Higher Education Expenses.

Even if an Account balance for a Beneficiary reaches the Maximum Account Balance allowed, there is no assurance that the value of the Account will be sufficient to cover all the higher education expenses a Beneficiary may incur. In addition, the rate of inflation for higher education expenses is uncertain and could exceed the rate of return on an Account. Virginia529 is not responsible for paying any higher education expenses that exceed the balance of an Account when a Distribution is requested.

Impact on Financial Aid and Scholarship Awards. Accounts may affect a Beneficiary’s ability to qualify for need-based financial aid and the amount of need-based financial aid they may be eligible to receive.

For financial aid programs offered by the U.S. government, the Department of Education takes into account a variety of factors when determining need-based financial aid eligibility. The value of IRC Section 529 Account(s) owned by either the dependent student or that student’s parents is included in value of the parents’ assets for dependent students. For independent students, the value of IRC Section 529 Account(s) owned by the student is included in the student’s assets. An IRC Section 529 Account owned by someone other than the student and/or their parents will affect financial aid eligibility differently.

The impact to financial aid programs offered by individual educational institutions and other non-federal sources varies depending on each institution’s calculation method, which may vary from the Department of Education’s calculation. Certain private colleges and universities use a different financial aid form and do not use the FAFSA. Consequently, the individual institutions will need to be consulted regarding their eligibility criteria.

For Virginia residents, a Virginia529 Account does not impact the eligibility of receiving the Virginia Tuition Assistance Grant if the student attends an eligible Virginia private college or university.

For more information on the impact of Qualified Tuition Programs on federal financial aid eligibility, please contact the U.S. Department of Education’s office of Federal Student Aid at 1-800-433-3243 or go to fafsa.ed.gov. You may also wish to contact a college or university financial aid office regarding your individual financial aid circumstances.

Accounts should not affect a student’s eligibility for merit-based scholarships. If a student receives a full or partial athletic scholarship that is governed by National Collegiate Athletic Association (NCAA) or conference regulations, a payment from an Account may affect that scholarship. **Please note that this is only summary information and is not intended to be advice.** Additionally, the treatment of assets in an IRC Section 529 Account by federal and non-federal financial aid programs is subject to change at any time. Please contact financial aid providers to learn of any recent changes to their respective programs. You should contact the financial aid office of your local community college, college or university for more information on the effect of an inVEST Account on financial aid determinations.

Eligibility for Medicaid or other Benefits. An Account may adversely affect an Account Owner's eligibility for federal and state assistance programs, such as Medicaid. The treatment of assets in an IRC Section 529 Account is subject to change at any time. Please consult the agency or entity that administers the specific benefit program for additional information.

No Shareholder Rights. Account Owners do not have a direct ownership interest in the investments held by the Portfolio in their Account. Therefore, Account Owners do not have the rights of an owner of such investments, including the right to vote proxies.

Limits on Account Duration. All Accounts are limited in the amount of time they can be open before the value must be distributed. Please see the "Limits on Account Duration" section for more detailed information.

Changes in Fees. Account fees, expenses and charges are subject to change at any time, and new fees, expenses and charges may be imposed in the future without prior notice to Account Owners. Please visit Virginia529.com for current information.

Changing Legal Regulations. There is no assurance that the current state and/or federal laws and regulations will remain the same. It is possible that the U.S. Congress, the Treasury Department, the IRS, the Commonwealth of Virginia, and other authorities or the courts may take actions that will adversely affect inVEST and that such adverse effects may be retroactive. The Treasury Department has issued proposed regulations under IRC Section 529, an advance notice of proposed rulemaking describing new proposed regulations that will be issued under IRC Section 529 and, in conjunction with the IRS, has published certain notices with respect to the anticipated modification of the proposed regulations. Until such time that final regulations are issued, taxpayers may continue to rely on the proposed regulations and notices until further action is taken by the Treasury. The advance notice indicates that proposed rulemaking in the future may include rules relating to the tax treatment of Contributions to and participants in qualified tuition programs, as well a general anti-abuse rule that will apply when accounts are established or used for purposes of avoiding transfer tax or for other purposes inconsistent with IRC Section 529. When issued, such regulations or any published ruling may alter the tax consequences summarized in the Program Description, may require that changes be made to Virginia529 or its programs to achieve the tax benefits described or may have a significant effect on your Account. Possible legislative action could diminish or even terminate your Account's tax advantages. Virginia529 is not obligated to continue to offer inVEST in the event that a change in the tax or other federal or state law makes continued operation not in the best interests of Account Owners or Beneficiaries. There can be no assurance that a change will not adversely affect inVEST and/or the value of your investment in an Account.

Claims Against Accounts. Title 11 U.S.C. §541(b)(6) of the United States Bankruptcy Code provides protection in federal bankruptcy proceedings for IRC Section 529 accounts if the designated Beneficiary is the bankruptcy debtor's child, stepchild, grandchild, or step-grandchild subject to the following limits:

- Contributions made to an Account for the same designated Beneficiary at least 720 days before a federal bankruptcy filing are protected;
- Contributions made to an Account for the same designated Beneficiary more than 365 days but less than 720 days before a federal bankruptcy

filing are protected up to an amount set, typically every 3 years, by the Judicial Conference of the United States; and

- Contributions made to an Account for the same designated Beneficiary less than 365 days before a federal bankruptcy filing are typically not protected against creditor claims in federal bankruptcy proceedings.

Additionally, under Virginia law and depending on the specific circumstances, Accounts are protected from creditors of either the Account Owner or the Beneficiary.

Finally, federal law provides that your Account cannot be used as collateral for a loan.

You should consult a legal adviser about the application of these laws to your particular situation.

Penalties for using Funds for Non-Qualified Higher Educational Expenses. Once the funds have been contributed to your Account, there are limited circumstances in which they can be withdrawn without federal and state tax consequences. Please see "Virginia and Federal Tax Considerations" for specific information on penalties.

Limited Investment Options. An Account Owner may only make Contributions to the Investment Portfolios offered by inVEST.

Limited Changes to Investment Options. Per federal regulations, an Account Owner may only change investment options for the same Beneficiary twice per calendar year, or at any time in conjunction with a change of Beneficiary. See the "Changing Investment Options" section for more information.

Limited Liquidity. Contributing funds to a Virginia529 Account reduces the ability to readily access those funds (their liquidity). Once the funds have been contributed to the Account, there are limited circumstances in which they can be distributed without negative tax consequences. Additionally, under certain circumstances, Virginia529 imposes a waiting period prior to distributing funds from an Account.

Other Considerations. An investment in inVEST – or any Qualified Tuition Program – may not be the appropriate investment vehicle for everyone. You should evaluate other savings or investment vehicles and consult with your tax or financial adviser.

Securities Law Considerations

inVEST Accounts are not registered under the Securities Act of 1933, based in part on assurances received from the staff of the U.S. Securities and Exchange Commission (SEC) in a No Action Letter to the effect that it would not recommend enforcement action if the Accounts are not registered based on the representations in the letter. The Virginia State Corporation Commission has issued an order stating that the Accounts and Portfolios are exempt from Virginia state registration. inVEST Accounts have not been registered with the securities regulatory authorities of any state. Neither the Accounts nor the Portfolios have been registered as investment companies under the Investment Company Act of 1940 (the "1940 Act") pursuant to Section 2(b) thereof, which provides that no provision of the 1940 Act applies to any instrumentality of a state. inVEST Accounts are not subject to oversight by the Financial Industry Regulatory Authority (FINRA) or the Municipal Securities Rulemaking Board (MSRB).

Virginia and Federal Tax Considerations

Tax provisions related to IRC Section 529 plans are complex and each taxpayer's situation is unique. Please contact a tax professional or the IRS at 1-800-829-1040 or irs.gov, and/or the Virginia Department of Taxation at 804-367-8031 or tax.virginia.gov for specific information on these provisions and how they may affect you. Other states may offer residents and taxpayers additional tax or other benefits if they invest in their own state plan. Consult your tax adviser for more information.

Federal Tax Treatment in General. IRC Section 529 governs the federal tax treatment of Qualified Tuition Programs such as inVEST and the tax consequences for Account Owners and Beneficiaries of such plans. As of the date of this Program Description, the Internal Revenue Service (IRS) had not issued final regulations governing the application of IRC Section 529 to college savings plans. On January 18, 2008, the IRS issued an Advance Notice of Proposed Rulemaking on proposed regulations for IRC Section 529 plans. There is no specific timetable for the release of new or re-proposed IRC Section 529 regulations. Any changes will likely be applicable to existing accounts. The IRS highlighted its intention to impose a broad anti-abuse rule that would apply to the use of IRC Section 529 accounts for tax avoidance or other improper uses. inVEST has been structured to meet all current federal requirements, and, therefore, Virginia529 itself is exempt from certain types of income tax. **Please check with a tax professional for specific information on these provisions and how they may affect you. Final regulations, changes to the Internal Revenue Code or to the Code of Virginia, or court decisions could affect the tax consequences of participation in a Qualified Tuition Program, including, but not limited to, additional restrictions or loss of tax advantages. Virginia529 may modify inVEST as necessary in the future without prior notice to comply with any such changes and to preserve, if possible, favorable tax treatment.**

The increase in the value of an inVEST Account (the earnings) is tax deferred, and is not taxable at the federal level if the Distribution is used for Qualified Higher Education Expenses. The earnings portion of Non-Qualified Distributions will be taxed as ordinary income in the year of the refund, reported on the taxpayer's federal tax return. Non-Qualified Distributions made for a reason other than the Beneficiary's death, disability or receipt of a scholarship (including attendance at a U.S. military academy) will be subject to an additional federal penalty of 10% of the earnings, reported on the taxpayer's federal tax return. Non-Qualified Distributions may also require the recapture in Virginia taxable income of some or all amounts, if any, that the Account Owner deducted from his or her Virginia taxable income due to Contributions to an inVEST Account. There is no Virginia state income tax liability for the federally taxable portion of a refund made in the event of the Beneficiary's death, disability, or receipt of a scholarship (including attendance at a U.S. military academy).

Virginia529 will apply a formula to determine the potentially taxable earnings/gains and non-taxable Contributions/basis portions of each Distribution made from an Account. The taxable portion is ordinary income, not capital gains. The taxable portion of a cancellation or other Non-Qualified Distribution will be taxed as ordinary income in the year of the refund. The taxable (earnings/gains) portion of Non-Qualified Distributions is subject to a 10% federal penalty. If you deplete or cancel an inVEST Account that has lost

principal, those losses may be taken as a deduction in certain circumstances, and if all inVEST, prePAID, CollegeAmerica or CollegeWealth accounts you own for the same Beneficiary have also been depleted.

inVEST Contributions are NOT deductible from federal taxable income at the time of contribution. The increase in the Account's value is tax deferred at the federal level, and Distributions used for Qualified Higher Education Expenses are not taxed at the federal level. **See IRS Publication 970, "Tax Benefits for Education" and Publication 950, "Introduction to Estate and Gift Taxes," available at irs.gov.**

Changes to Federal Estate and Gift Tax Provisions. The 2010 Tax Relief Act made significant changes to the federal estate, gift, and generation-skipping transfer (GST) taxes. The American Taxpayer Relief Act of 2012 (ATRA) made permanent the exemption levels set by those federal estate, gift, and GST tax provisions, and raised the applicable tax rate permanently for amounts over the exemption limits from 35% to 40%. Because the exemption levels are indexed, they were raised from \$5.34 million to \$5.43 million for 2015. The law also makes permanent "portability" which allows a surviving spouse the right to use the unused portion of a deceased spouse's exemption. At the time this Program Description was printed, the exemption levels had not been released for 2016. Please consult your tax adviser or the IRS regarding the specific application of these rules to your particular circumstances.

Federal Gift Tax. IRC Section 529 provides that inVEST Contributions are a completed gift of a present interest for federal gift tax purposes. Contributions to Qualified Tuition Programs like inVEST are not excluded from taxable gifts as tuition payments under IRC Section 2503(e). IRC Section 529 provides a five-year averaging provision for any Contributions in one taxable year that are greater than the current \$14,000 (\$28,000 for married couples) annual exclusion from federal gift and GST tax. This means that if total Contributions and other gifts by any one Account Owner or other individual to a single Beneficiary in 2015 is greater than \$14,000 (\$28,000 for married couples), the Account Owner or other individual contributing the funds may elect to average the total amount of the Contribution over a five-year period. This would allow Contributions of the maximum gift amount in 2015 of up to \$70,000 (\$140,000 for married couples) in one tax year without federal gift tax consequences. An Account Owner or other individual who makes a Contribution or other gift of the maximum gift amount of \$70,000 (\$140,000 for married couples), may not make additional gifts to the same Beneficiary until the end of the five-year averaging period without incurring federal gift tax consequences.

IRC Section 529, as amended, also provides that Distributions from a Qualified Tuition Program will not be treated as a taxable gift, except if it is transferred or rolled over in certain circumstances. For example, if an inVEST Account is rolled over to a new Beneficiary who is a Member of the Family of the previous Beneficiary and who is in the same generation as the previous Beneficiary, no federal gift or GST tax will apply. If, however, the new Beneficiary is in a lower generation than the previous designated Beneficiary, federal gift tax or GST tax may apply to the amount transferred. The five-year averaging rule may be applied to changes of Beneficiary that are subject to federal gift tax. If an Account Owner transfers ownership of an Account to another individual or entity, that transfer may be deemed a gift which could trigger federal gift tax on any amount greater than \$14,000 (\$28,000 for married couples). Please see IRS Publication 970, available at irs.gov/publications/, for specific information. Please consult a tax adviser for further information.

Federal Estate Tax. Generally, no amount is includible in the Account Owner's gross estate as a result of Contributions to a Qualified Tuition Program. If, however, the Account Owner has elected five-year averaging and dies before the end of the five-year averaging period discussed above, the Account Owner's gross estate will include the portion of the Contributions allocable to periods following the Account Owner's death. IRC Section 529 also provides that the gross estate of a designated Beneficiary of a Qualified Tuition Program such as inVEST includes amounts distributed from a Qualified Tuition Program on account of the Beneficiary's death. Please contact a tax professional or the IRS to determine the effect of federal gift and estate tax provisions on your individual situation.

Federal Generation-Skipping Transfer Tax. In addition to possible federal gift and estate tax consequences, the federal generation-skipping transfer tax may apply to Contributions made to an Account if the Beneficiary is deemed to be a member of a generation that is more than one generation younger than the generation of the Account Owner or other individual contributing to the Account, or if the new Beneficiary is more than one generation below that of the previous Beneficiary. Contributions that qualify for the annual gift tax exclusion are not subject to Generation Skipping Transfer tax. The ATRA extended the lifetime GST exemption permanently. The \$5 million lifetime exemption will be indexed for inflation for 2013 and beyond. Consult your tax adviser or the IRS regarding the specific application of these rules to your particular circumstances.

Virginia Tax Exemption. The Virginia General Assembly enacted a tax exemption at its 1999 session for income attributable to certain Distributions or refunds from an inVEST Account. The Virginia state income tax exemption applies to income attributable to inVEST Distributions used for Qualified Higher Education Expenses of a Beneficiary or refunds in the event of a Beneficiary's death, disability, or receipt of a scholarship. Because earnings on IRC Section 529 account Qualified Distributions are excluded from federal adjusted gross income, these earnings are also automatically excluded from Virginia taxable income. The Virginia state income tax exemption is still applicable to Distributions made due to the Beneficiary's death, disability or receipt of a scholarship. The earnings portion of any amount refunded in one of these cases is subject to federal income tax in the tax year in which the refund is received, but is exempt from Virginia state income tax.

Virginia Tax Deduction. inVEST Account Owners who file a Virginia state individual income tax return can deduct inVEST Contributions from their Virginia taxable income. The deduction is limited to \$4,000 per taxable year per Virginia529 account (each separate account held within inVEST, prePAID, CollegeAmerica and CollegeWealth), or the amount contributed to each Virginia529 account during the year, whichever is less, with unlimited carryforward until the full amount of the Contributions has been deducted. The \$4,000 per taxable year limit does not apply to Account Owners who are age 70 or above, who may deduct the entire amount of their Contributions in a single tax year. If an Account is cancelled for a reason other than the student's death, disability, receipt of a scholarship (including attendance at a U.S. military academy), or Rollover to another Virginia529 account, any amount of the refund previously deducted from the Account Owner's Virginia taxable income as a result of Contributions to the cancelled inVEST Account must be added back to the Account Owner's Virginia taxable income in the year the refund is received, in addition to any federal tax consequences. Only the Account Owner of record of an inVEST Account as of December 31 of the taxable year is eligible to take the Virginia state tax deduction for Contributions made to that Account. **Individuals who choose to make Contributions to an inVEST Account owned by**

another individual or entity are not eligible for the Virginia state tax deduction. The Virginia state tax deduction for UTMA/UGMA inVEST Accounts belongs to the Beneficiary, and is reported under the Beneficiary's social security number. UTMA/UGMA custodians are not eligible for the Virginia state tax deduction for Contributions made to an UTMA/UGMA inVEST Account.

The Virginia state income tax deduction and exemption are available only to Account Owners in a Virginia529 program who file Virginia personal income tax returns. If an Account Owner or individual contributing to an inVEST Account lives in a state other than Virginia, the state tax consequences may differ from those described here. Contributions to other states' Qualified Tuition Programs are not eligible for the Virginia state tax deduction. Before investing in inVEST, potential Account Owners and other individuals contributing to an inVEST Account who do not live or pay taxes in Virginia should determine whether the state in which they live or pay taxes offers a Qualified Tuition Program with benefits not available through inVEST.

Account Reporting

Confirmations and Account Statements. Account Owners will receive an initial confirmation of their Portfolio selection and the amount of their initial Contribution. Account Owners will receive confirmation of any change in investment option (allowed twice per calendar year or if the Beneficiary of an Account is changed) as part of the next scheduled statement. Account Owners may confirm changes at any time by accessing Account information online at Virginia529.com. All Account Owners may obtain quarterly statements by logging onto their Account online unless they notify Virginia529 that they would prefer a paper statement mailed to them. Statements will not be sent to individuals who contribute to an inVEST Account owned by another individual or entity. Account owners have ten Business Days from the date a statement or confirmation is available online or sent to their last known mailing address (if the customer has requested paper statements) to contest any information or transactions reported. After this period, the Account Owner will be deemed to have approved the transactions reflected on the statement or confirmation and to have released Virginia529 from all associated liability. Account Owners may also access Account information online at Virginia529.com once they have completed the online registration process.

Tax Reporting. An IRS Form 1099-Q is sent to the Account Owner for all Distributions from an Account, unless the Distribution is made to the Beneficiary or to an institution of higher education. If the Distribution is made to the Beneficiary or to an institution of higher education, Virginia529 is required to send the Form 1099-Q to the Beneficiary. Virginia529 will send the 1099-Q for Distributions from inVEST, prePAID, or CollegeWealth. For Distributions made from a CollegeAmerica account, the 1099-Q will be provided by American Funds or the brokerage which houses the account. Account Owners will be responsible for reporting all Forms 1099-Q that are received. If the Distribution was for the designated Beneficiary's QHEE, and the total amount of the Distribution does not exceed adjusted qualified higher education expenses, then, no federal or Virginia income tax related to that Distribution will normally be due. If you live in a state other than Virginia, please check to determine your state's treatment of income from another state's Qualified Tuition Program that is tax-exempt at the federal level. **Virginia529 will not determine whether an expense is a Qualified Distribution or a Non-Qualified Distribution.** Account Owners will be required to maintain records such as invoices and textbook receipts, adequate to prove QHEE. The taxpayer must report the 10% of earnings federal penalty and federal income tax on

the earnings for Non-Qualified Distributions on the taxpayer's income tax returns. These amounts will not be withheld by Virginia529. Please contact a tax professional or the IRS for assistance. IRS Publication 970, "Tax Benefits for Education", is one publication that provides more information and is available from irs.gov, or by calling 1-800-829-1040.

If an Account Owner has more than one Virginia529 savings account (inVEST, CollegeAmerica or CollegeWealth) or more than one prePAID Contract for the same Beneficiary, the IRS requires that we aggregate the earnings on all savings or prePAID accounts for reporting purposes. Accordingly, each year there is a distribution from one of your inVEST, CollegeAmerica or CollegeWealth accounts, the savings earnings will be calculated for purposes of your Form 1099-Q based upon all your Virginia529 savings accounts. Similarly, each year there is a distribution from one of your prePAID accounts, the prePAID earnings will be calculated for purposes of your Form 1099-Q based upon all your prePAID Contracts. You will receive one Form 1099-Q that reflects the earnings overall for both inVEST and prePAID.

Coordination with Other Education Tax Incentives

Distributions from an Account may affect other education tax incentives available to an Account Owner, including but not limited to Coverdell Education Savings Accounts, the American Opportunity Tax and Lifetime Learning Credits, and The Above-the-Line deduction for Qualified Tuition and Related Expenses. The coordination between these tax-advantaged programs is complex. Please consult your tax or financial adviser before investing. In addition, IRS Publication 970, "Tax Benefits for Education," is one publication that provides information on these other tax-advantaged higher education accounts, and is available at irs.gov or by calling 1-800-829-1040.

Investment Portfolios

Account Owners may choose from among Age-Based Portfolios and Static Portfolios (collectively, the "Investment Portfolios" or the "Portfolios"). Each Portfolio invests Account Contributions in one or more Mutual Funds or separate accounts managed by one or more investment manager (the "Funds"). The Funds are Mutual Funds, commingled funds, or professionally managed separate accounts. As an Account Owner you will not directly own shares of the Funds, but will instead own Units of the Portfolio(s) in which you invest. The Net Asset Value of Units in each Portfolio will vary from day to day, reflecting changes in the values of the Funds and the allocation of the Portfolio's Expense Ratio. The performance of each Portfolio depends on the performance of the Funds, which in turn depends on the performance of the underlying investments of the particular Funds.

Account Owners should periodically assess, and if appropriate, adjust their investment choices with their investment time horizon, risk tolerance and investment objectives in mind. IRS rules allow only two investment direction changes per calendar year. Your two annual investment direction changes apply to all Virginia529 savings accounts you own for the same Beneficiary.

Investment Risks

Virginia529 is proud to provide its customers a variety of Investment Portfolios which hold one or more Funds from established investment managers. In addition to the general risk that an investment could lose money, including the principal you invest, each Portfolio has risks associated with the particular strategy of its underlying Fund. For instance, the

Vanguard® Total Bond Market Index Fund held in the Age-Based Portfolios and in some Static Portfolios, is primarily subject to interest rate risk, income risk, credit risk, call/prepayment risk, index sampling risk and extension risk. The risks associated with each Portfolio are described briefly within this document. In addition, because investment managers sometimes define a particular investment risk differently, we provide a link to the investment managers' websites so that, prior to investing, customers can refer to a Fund's prospectus for a full description of investment risks associated with that Fund. A copy of a prospectus can also be obtained by contacting Virginia529. For the separate accounts managed by Rothschild Asset Management, Inc., Prudential Fixed Income, and Invesco Advisers, Inc., for which a prospectus is not available, the investment risks associated with those Funds are defined within this document.

Investment risks do not constitute the only list of risks you should consider before opening an Account and making Contributions. Other risks associated with participating in the inVEST program are found in the "Risk Considerations of Program Participation" section. In addition, an Account Owner may wish to consult a financial or tax adviser before investing in inVEST.

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Age-Based Portfolios

inVEST offers Age-Based Portfolios, each of which is designed to take into account the target Beneficiary's current age and the Account Owner's investing time horizon or the number of years before the Beneficiary is expected to need funds from the Account for Qualified Higher Education Expenses. The Timeline of the Age-Based Portfolios chart found below summarizes the targeted current Beneficiary ages for each Age-Based Portfolio. You are not required to select the Portfolio that corresponds to your Beneficiary's current age.

Portfolios designed for older Beneficiaries are more heavily invested in Fixed Income Securities in order to try to preserve principal as the time for Distributions approaches. The Board selects the investment managers or Mutual Funds and an Asset Allocation for each of the Portfolios with the assistance of its Investment Advisory Committee. See "Investments of the Age-Based Portfolios" for more information.

Although the Asset Allocation of each Age-Based Portfolio is designed to correspond with a target Beneficiary's current age, Account Owners may choose to invest in a Portfolio other than the one that corresponds to their Beneficiary's current age. No inVEST Portfolios, however, are protected from market Volatility and there is no guarantee that Portfolios will not lose value, including principal. As the Timeline of the Age-Based Portfolios chart shows, the Asset Allocation for each Age-Based Portfolio will become increasingly weighted in Fixed Income Securities over time, until it reaches the same Asset Allocation as the Piedmont Portfolio, which is invested entirely in a Stable Value Fund. The Asset Allocation strategy of each Age-Based Portfolio, except the Piedmont Portfolio, will evolve over scheduled successive periods until a Portfolio reaches the target allocation of the Piedmont Portfolio (a Stable Value Fund).

A new Age-Based Portfolio will be created approximately every three years to accommodate Account Owners who seek the maximum return/risk allocation for new Accounts, or for Beneficiaries born in subsequent years. Account Owners may choose different Portfolios for the same Beneficiary. This will result in multiple Accounts, one Portfolio per Account.

Contributions to your Account(s) will purchase Units in an Age-Based Portfolio which in turn are invested in a Fund or

Funds, as shown in the Underlying Investments of the Age-Based Portfolios chart. The Net Asset Value of the Units in each Portfolio will vary from day to day, reflecting changes in the values of the Funds and the allocation of the Portfolio's Expense Ratio. The performance of each Age-Based Portfolio depends on the performance of the Funds, which in turn depends on the performance of the Funds' holdings. Virginia529 does not pay interest or dividends generated by a Fund's investment directly to an Account. This income is automatically reinvested in the applicable Fund as earned. This may also affect the performance of an Account when compared to the Fund's performance.

Account Owners may also change their Portfolio selection twice per calendar year for the same Beneficiary. The same Account Owner may not have more than one Account for the same Beneficiary in the same Portfolio.

Depending upon market conditions and other factors, Virginia529 may alter the rate of change in the Asset Allocation of any Portfolio and/or create a new Portfolio or Portfolio's Asset Allocation when it deems it to be, in its sole discretion, in the best interests of current and potential Account Owners to do so.

Fully Evolved Age-Based Portfolios: A fully evolved Age-Based Portfolio is characterized as an inVEST Age-Based Portfolio that has gone through each of the Asset Allocations and reached 100% Fixed Income. Once each Age-Based Portfolio has evolved to 100% Fixed Income, it is closed to new participants. The Piedmont Portfolio is an exception to this process as it is inVEST's permanent 100% Stable Value Fund option which does not evolve.

As of January 1, 2012, all Portfolios that are fully evolved experience a gradual transition from a 100% Fixed Income allocation (currently commencing with a target allocation as follows: 65% Stable Value, 20% Market Fixed Income, 10% Emerging Markets Debt, and 5% High Yield Fixed Income) to a 100% Stable Value Fund allocation. After the two year transition period, the Portfolio is reallocated to 100% Stable Value and remains in existence for an additional three years, after which the Portfolio will be permanently closed with remaining assets transferred to the Piedmont Portfolio (also 100% Stable Value). On January 1, 2012, the Blue Ridge Portfolio entered the two year 100% Fixed Income transition phase and was closed to new participants. Blue Ridge Portfolio assets will be transferred to the Piedmont Portfolio on January 1, 2017. Successive Portfolios will enter the transition period on the date they are scheduled to become 100% Fixed Income. For example, the Southside Portfolio entered the transition phase on January 1, 2015, the Potomac Portfolio will enter on January 1, 2018, etc.

The transition phase is part of the evolution of the Portfolios and will not be considered one of the Account Owner's twice per year investment direction changes permitted by IRC Section 529.

NOTE: Please visit our website, Virginia529.com, for updated information on the inVEST Age-Based Portfolios, underlying investment managers and current benchmarks.

Chart I

The following chart shows the evolution of the Age-Based Portfolios over time.

Timeline of the Age-Based Portfolios										
Age-Based Portfolios	Initial Allocation	Anticipated Initial Asset Allocation								
	January 2015 - January 2018	January 2018 - January 2021	January 2021 - January 2024	January 2024 - January 2027	January 2027 - January 2030	January 2030 - January 2033	January 2033			
Rappahannock <i>(Ages 0-3)</i>	80% Equity 20% Fixed Income	70% Equity 30% Fixed Income	60% Equity 40% Fixed Income	50% Equity 50% Fixed Income	40% Equity 60% Fixed Income	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹			
James River <i>(Ages 4-6)</i>	70% Equity 30% Fixed Income	60% Equity 40% Fixed Income	50% Equity 50% Fixed Income	40% Equity 60% Fixed Income	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹				
Eastern Shore <i>(Ages 7-9)</i>	60% Equity 40% Fixed Income	50% Equity 50% Fixed Income	40% Equity 60% Fixed Income	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹					
Alleghany <i>(Ages 10-12)</i>	50% Equity 50% Fixed Income	40% Equity 60% Fixed Income	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹						
Chesapeake <i>(Ages 13-15)</i>	40% Equity 60% Fixed Income	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹							
Potomac <i>(Ages 16-18)</i>	25% Equity 75% Fixed Income	0% Equity 100% Fixed Income ¹								
Piedmont² <i>(Over 18)</i>	0% Equity 100% Fixed Income/ Stable Value									

¹The Portfolios will have an initial target allocation of 100% Fixed Income (65% Stable Value, 20% Market Fixed Income, 10% Emerging Market Debt, and 5% high yield bonds) and experience a gradual transition to 100% Stable Value over a two-year transition period. Once the Portfolios reach 100% Stable Value they will remain in existence for a three year period, after which they will permanently close with assets transferred to the Piedmont Portfolio (100% Stable Value).

²The Piedmont Portfolio will not evolve and will remain fixed at its current allocation in the future.

Chart II

The chart below demonstrates the glidepath of an inVEST Age-Based Portfolio as it shifts over time to an investment mix emphasizing income and preservation of capital.

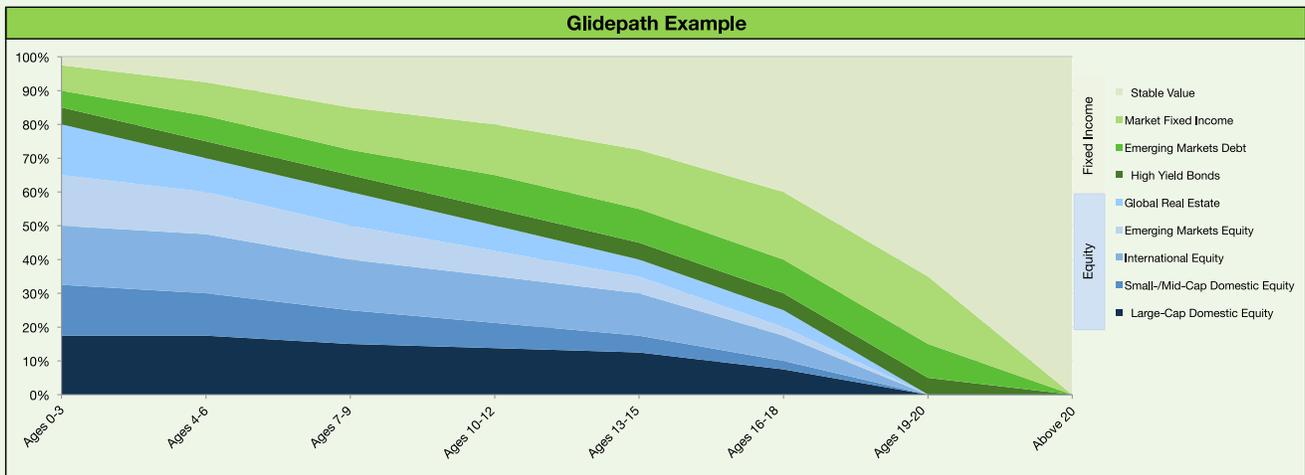


Chart III

The following chart summarizes the initial target Asset Allocations of the Age-Based Portfolios as of January 1, 2015, as well as the diversification of the investment managers of the Funds and investments that make up each Portfolio. These Asset Allocations and managers are subject to change at any time without notice. Please visit Virginia529.com for the most current information.

Depending upon market conditions and other factors, the dates of the Age-Based Portfolio evolutions and the rate of change in the allocation strategy of any Portfolio may be altered without notice when it is deemed to be in the best interests of current Account Owners in the sole discretion of Virginia529.

Initial Target Asset Allocation of the Age-Based Portfolios as of 1/1/2015										
Investment Manager	Asset Class	Rappahannock	James River	Eastern Shore	Alleghany	Chesapeake	Potomac	Southside ¹	Blue Ridge ¹	Piedmont
Aberdeen Asset Management Inc.	Emerging Markets Equity	15.00%	12.50%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%	0.00%
Capital Research and Management Co.	International Equity	8.75%	8.75%	7.50%	6.875%	6.25%	3.75%	0.00%	0.00%	0.00%
Invesco Advisers, Inc.	Stable Value	2.50%	7.50%	15.00%	20.00%	27.50%	40.00%	65.00%	100.00%	100.00%
Morgan Stanley Investment Management, Inc.	Global Real Estate	15.00%	10.00%	10.00%	7.50%	5.00%	5.00%	0.00%	0.00%	0.00%
Prudential Investment Management, Inc.	High Yield Bonds	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0.00%	0.00%
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	11.25%	8.33%	6.67%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Stone Harbor Investment Partners, LP	Emerging Markets Debt	5.00%	7.50%	7.50%	10.00%	10.00%	10.00%	10.00%	0.00%	0.00%
Templeton Institutional Funds, Inc.	International Equity	8.75%	8.75%	7.50%	6.875%	6.25%	3.75%	0.00%	0.00%	0.00%
The Vanguard Group, Inc.	Market Fixed Income	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	20.00%	0.00%	0.00%
The Vanguard Group, Inc.	Large-Cap Domestic Equity	17.50%	17.50%	15.00%	13.75%	12.50%	7.50%	0.00%	0.00%	0.00%
The Vanguard Group, Inc.	Small-Cap Domestic Equity	3.75%	4.17%	3.33%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ Southside and Blue Ridge are the current transition Portfolios and are closed to new participants. Please see the "Fully Evolved Age-Based Evolving Portfolios" section on pg. 19.

Chart IV

The assets of inVEST's Age-Based Portfolios are invested in a combination of Mutual Funds and separately managed accounts according to each Age-Based Portfolio's target Asset Allocations. The managers of these Funds and accounts and the investments managed by them include the following as of January 1, 2016:

Underlying Investments of the Age-Based Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	REGRX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VINIX

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

Each of the following Fund descriptions is provided by the managers of those Funds.

Large-Cap Domestic Equity

Vanguard® Institutional Index Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The Institutional Index Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's (S&P) 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Institutional Index Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. Vanguard Institutional Index Fund is primarily subject to stock market risk and investment style risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of these risks at <http://vgi.vg/1jB51MR> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Small-Cap Domestic Equity

Vanguard® Small-Cap Index Fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The Small-Cap Index Fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. Vanguard Small-Cap Index Fund is primarily subject to stock market risk and investment style risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of these risks at <http://vgi.vg/1LRdwdo> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Small-/Mid-Cap Domestic Equity

Rothschild Asset Management Inc. ("Rothschild") manages an investment portfolio on behalf of inVEST that seeks capital appreciation by investing primarily in the Equity Securities of small- to mid-sized companies with Market Capitalizations similar to those of the Russell 2500 Index (approximately \$100 million to \$12 billion). In managing portfolios, the firm uses a disciplined investment process that blends a proprietary stock-ranking system with fundamental research by its experienced team of portfolio managers to identify stocks it believes are likely to outperform the market because they are attractively valued, with improving fundamentals. Because investments are subject to a number of risks such as market and style risk, the firm emphasizes risk controls throughout its entire process to minimize the potential impact of these factors and to earn consistent, long-term results. The separate account managed by Rothschild for inVEST is primarily subject to stock market risk, investment style risk and manager risk. The following definitions are supplied for assistance in evaluating the separately managed account:

Investment Style Risk. This is the risk that returns from the types of stocks in which a Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go

through cycles of doing better – or worse – than the stock market in general. These periods have, in the past, lasted for as long as several years.

Manager Risk. This is the risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

Stock Market Risk. This is the risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Securities Investment Risks in General. All securities investments are subject to the risk of loss of capital. No guarantee, assurance or representation is made that the separate account will achieve its investment objective of long-term capital appreciation. In fact, it is possible that the separate account may sustain losses in light of the substantial investment risks it is likely to incur. Certain of the separate account's investment strategies, such as reliance upon the application of a proprietary stock ranking system developed by Rothschild, combined with industry and company specific research, as a principal basis for making investment decisions and investing in small and medium capitalization companies, as well as the possibility that the separate account's portfolio may be highly concentrated, may be considered particularly risky and could, in certain circumstances, magnify the impact of any adverse market or investment developments.

Reliance Upon Quantitative Analysis. In making investment decisions for the separate account, Rothschild will rely upon the application of quantitative tools developed by Rothschild. Although Rothschild has had success with this approach in the past for other investment accounts under its management, such past success for other accounts does not ensure that this approach will be a successful one for the separate account.

Equity Securities. Investors should be aware that equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and that those fluctuations can be pronounced. Changes in the value of the common stocks in the separate account's portfolio will result in changes in the value of the separate account.

Small and Mid-Cap Equity Securities. Under normal market conditions, the separate account invests substantially all of its assets in the securities of small and mid-sized companies. Although such securities often provide significant potential for appreciation, they involve higher risks in some respects than investments in securities of larger companies. The securities of small and mid-sized companies might not be traded in volumes typical of securities of larger companies. Because small and mid-sized companies normally have fewer shares outstanding than larger companies, it may be more difficult for the separate account to buy and sell significant amounts of small and medium company shares without an unfavorable impact on prevailing market prices. Thus the securities of small and medium companies are generally less liquid, and subject to more abrupt or erratic market movements than larger companies. Additionally, the risk of bankruptcy or insolvency of many small and mid-sized companies, with the attendant losses to investors, is higher than for larger companies.

Money Market Funds. The separate account may invest in money market mutual funds. Money market funds seek current income, a stable net asset value per share and daily liquidity. The net asset value per share of money market funds can change in value when interest rates or an issuer's

creditworthiness change dramatically. There can be no guarantee that a money market fund will always be able to maintain a stable net asset value per share. If the separate account invests in money market funds, the separate account will pay any advisory fees and other expenses charged by such money market funds. These fees would be in addition to any management fee and other fees, if any, charged to the separate account.

Diversification Risk. Rothschild expects to diversify the separate account's portfolio. However, at any given time, it is possible that Rothschild may select investments that are concentrated by industry, although generally no more than 3% of the separate account's assets may at any time be invested in the equity securities of any one issuer and no more than 30% of the separate account's assets may be invested in the equity securities of issuers in the same industry. These percentages are intended to be general guidelines rather than rigid limits. Applicable percentages are measured as of the date of the last acquisition and may be exceeded, from time to time, in Rothschild's sole discretion. This limited diversity could expose the separate account to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those industries.

Competition for Investments. Although Rothschild believes that many investment opportunities exist and will develop which will be suitable for the separate account in connection with seeking to achieve its investment objective, a number of other trusts, partnerships, institutions and other investors are seeking similar objectives. The identification of attractive investment opportunities is nevertheless difficult, competitive and involves a high degree of uncertainty. There can be no assurance that sufficiently attractive investment opportunities will be found to achieve the separate account's objective of long-term capital appreciation. Similarly, while Rothschild intends to invest at least 95% of the separate account's assets in small and mid-sized companies, this percentage may not be reached if insufficient investment opportunities exist or the separate account's total capital becomes too large to deploy satisfactorily. Therefore, it is possible that a portion of the separate account's assets invested in non-equity securities (e.g., fixed income securities, repurchase agreements, etc.) or held in cash may be more than anticipated. Should this become the case, the separate account may have a more difficult time achieving its objective.

Portfolio Turnover. The separate account may engage in frequent trading and thus the separate account's brokerage commission to assets ratio may significantly exceed those of other investment entities.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the separate account. None of these conditions is within the control of Rothschild. The profitability of a significant portion of the separate account's investment program depends to a great extent on correct assessments of the future course of price movements of securities and other investments. There can be no assurance that Rothschild will be able to accurately predict these price movements. The securities markets have in recent years been characterized by great volatility and unpredictability. With respect to the investment strategies utilized by Rothschild, there is always a significant degree of market risk.

International Equity

The American Funds' EuroPacific Growth Fund's[®] investment objective is to provide you with long-term growth of capital.

The Fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. Growth stocks are stocks that the investment adviser believes have the potential for above-average capital appreciation.

Normally the fund will invest at least 80% of its net assets in securities of issuers in Europe and the Pacific Basin. A country will be considered part of Europe if it is part of the MSCI European indexes, and part of the Pacific Basin if any of its borders touches the Pacific Ocean. In determining the domicile of an issuer, the fund's investment adviser will consider the domicile determination of a leading provider of global indexes, such as Morgan Stanley Capital International, and may also take into account such factors as where the company's securities are listed and where the company is legally organized, maintains principal corporate offices, conducts its principal operations and/or generates revenues. The fund may invest a portion of its assets in common stocks and other securities of companies in emerging markets.

The investment adviser uses a system of multiple portfolio managers in managing the Fund's assets. Under this approach, the portfolio of the Fund is divided into segments managed by individual managers who decide how their respective segments will be invested.

The Fund relies on the professional judgment of its investment adviser to make decisions about the Fund's portfolio investments. The basic investment philosophy of the investment adviser is to seek to invest in attractively valued companies that, in its opinion, represent good, long-term investment opportunities. The investment adviser believes that an important way to accomplish this is through fundamental analysis, which may include meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment adviser believes that they no longer represent relatively attractive investment opportunities.

Investors may lose money by investing in the Fund. The likelihood of loss may be greater if you invest for a shorter period of time. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value. The Fund is subject to market risk, growth stock risk, risk of investing outside the U.S., emerging markets risk, issuer risk, and management risk. Please refer to the Fund's prospectus prior to investing for American Funds' full description of these risks at <http://bit.ly/1Ns8h53> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

An investor's investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person. Investors should consider how this Fund fits into their overall investment program.

The Templeton Foreign Equity Series investment goal is to provide long-term growth of capital. Under normal market conditions, the Foreign Equity Series ("FES") invests at least 80% of its net assets in foreign Equity Securities. FES also invests in depository receipts, as well as companies located in emerging markets countries, and may invest in debt Securities. From time to time, based on economic conditions, FES may have significant investments in one or more countries or in particular sectors. FES may invest

in equity securities of any size company, across the entire market capitalization spectrum. In selecting Securities for FES, the manager attempts to identify those companies that offer above-average opportunities for capital appreciation in various countries and industries where economic and political factors, including currency movements, are favorable to capital growth. When choosing Equity investments for this Fund, the manager applies a “bottom up,” value-oriented, long-term approach, focusing on the market price of a company’s Securities relative to the manager’s evaluation of the company’s long-term earnings, asset value and cash flow potential. The Templeton Foreign Equity Series is subject primarily to market risk, foreign securities risks, including currency and country risks, developing market countries risk, value style investing risk, focus risk, smaller and midsize companies risk, and management risk. Please refer to the Fund’s prospectus prior to investing for Templeton’s full description of these risks at <http://bit.ly/21yED8E> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

Emerging Markets Equity

Aberdeen Asset Management, Inc.’s Aberdeen Emerging Markets Fund (the Fund) will invest primarily in common stocks, but may also invest in other types of equity securities, including, but not limited to, preferred stock and depository receipts. As a non-fundamental policy, under normal circumstances, the Fund invests at least 80% of the value of its net assets, plus any borrowings for investment purposes, in equity securities of emerging market companies. An emerging market country is any country determined by the Adviser or Subadviser to have an emerging market economy, considering factors such as the country’s credit rating, its political and economic stability and the development of its financial and capital markets. Emerging market countries can include every nation in the world except the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. A company is generally considered to be an emerging market company if it:

1. is organized under the laws of, or has its principal office in an emerging market country;
2. has its principal Securities trading market in an emerging market country;
3. alone or on a consolidated basis derives the highest concentration of its annual revenue or earnings or assets from goods produced, sales made or services performed in an emerging market country; and/or
4. issues Securities denominated in the currency of an Emerging Market country.

If the Fund changes its 80% investment policy, it will notify Virginia529 at least 60 days before the change and will change the name of the Fund.

The Fund may invest in Securities denominated in major currencies, including U.S. dollars, and currencies of emerging market countries in which it is permitted to invest. The Fund typically has full currency exposure to those markets in which it invests.

The Fund may invest in Securities of any market capitalization, including small and mid-cap Securities.

The Aberdeen Emerging Markets Fund is primarily subject to foreign risk, emerging markets risk, stock market risk, selection

risk, small- and mid-cap Securities risk and risk of impact from large redemptions and purchases of Fund shares. Please refer to the Fund’s prospectus prior to investing for Aberdeen’s full description of these risks at <http://bit.ly/1lbYpq1> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

Market Fixed Income

Vanguard® Total Bond Market Index Fund seeks to track the performance of a broad, market weighted, bond index. The Total Bond Market Index Fund employs an indexing investment approach designed to track the performance of the Barclays U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, Investment Grade, taxable, Fixed Income Securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed Securities—all with maturities of more than 1 year. The Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of Securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Fund’s investments will be selected through the sampling process, and at least 80% of the Fund’s assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Vanguard Total Bond Market Index Fund is subject to interest rate risk, income risk, credit risk, call risk, and index sampling risk. Please refer to the Fund’s prospectus prior to investing for Vanguard’s full description of these risks at <http://vgi.vg/1YLgLwh> or call Virginia529 to have a prospectus printed from the manager’s site and mailed to you.

High Yield Bonds

Prudential Fixed Income manages an investment portfolio on behalf of iVEST that seeks to outperform its benchmark by investing primarily in higher quality High Yield Securities. The firm believes that actively managed higher quality High Yield bond portfolios, constructed from the bottom up using methodical, research-based subsector and security selection, can lead to consistent outperformance versus the broad High Yield market with a lower return volatility. Prudential attempts to achieve this through a well-diversified portfolio of performing credits that are carefully researched. Intensive fundamental research is conducted by a large and experienced internal credit research staff to identify strong and improving credits. The size and experience of the research organization permit them to apply intense focus on individual Securities identified from a broad pool of investment opportunities. Portfolios are then actively managed to capture the best opportunities and minimize credit losses, within an environment of disciplined risk management oversight. Prudential does not take extremely large positions, either on an absolute basis or relative to benchmarks, in any single issuer or industry as a primary means to achieve outperformance, nor do they hold a significant portion of the portfolio in an Asset Class other than US High Yield bonds, such as common stocks or Emerging Markets.

The portfolio is primarily subject to credit risk, junk bond risk, Fixed Income obligation risk, market risk, and interest rate risk. Political and geopolitical risk, as applicable, is also assessed on a daily basis to help identify potential shifts in investor sentiment. The following definitions are supplied for assistance in evaluating the separately managed account:

Credit Risk. This is the risk that the issuer, the guarantor or the insurer of a Fixed Income Security, or the counterparty to a contract, may be unable or unwilling to make timely principal and interest payments or to otherwise honor its obligations. Additionally, the Securities could lose value due to a loss of confidence in the ability of the issuer, guarantor, insurer or counterparty to pay back debt. The longer the maturity and the lower the credit quality of a bond, the more likely its value will decline.

Political and Geopolitical Risk. These are the risks associated with the world political environment, and the impact such an environment has on current market conditions and investor confidence. Such conditions make the need for daily risk monitoring even more vital.

Junk Bonds Risk. High-yield, high-risk bonds have predominantly speculative characteristics, including particularly high credit risk. Junk bonds tend to be less liquid than higher-rated Securities. The liquidity of particular issuers or industries within a particular investment category may shrink or disappear suddenly and without warning. The non-investment grade bond market can experience sudden and sharp price swings and become illiquid due to a variety of factors, including changes in economic forecasts, stock market activity, large sustained sales by major investors, a high profile default or a change in the market's psychology.

Fixed Income Obligations Risk. The value of bonds may decline for issuer-related reasons, including management performance, financial leverage and reduced demand for the issuer's goods and services. Certain types of fixed income obligations also may be subject to call and redemption risk, which is the risk that the issuer may call a bond before it matures and the portfolio may lose income.

Market Risk. The value of these Securities, like other investments, may move up or down, sometimes rapidly and unpredictably. Securities markets are volatile. Regardless of how well an individual investment performs, if financial markets go down, you could lose money.

Interest Rate Risk. This is the risk that the Securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Debt obligations with longer maturities generally are more sensitive to interest rate changes. In addition, short-term and long-term interest rates do not necessarily move in the same direction or by the same amount. An instrument's reaction to interest rate changes depends on the timing of its interest and principal payments and the current interest rate for each of those time periods. Instruments with floating interest rates can be less sensitive to interest rate changes. Certain types of debt obligations are also subject to prepayment and extension risk. When interest rates fall, the issuers of debt obligations may prepay principal more quickly than expected, and the Fund may be required to reinvest the proceeds at a lower interest rate. This is referred to as "prepayment risk." When interest rates rise, debt obligations may be repaid more slowly than expected, and the value of the Fund's holdings may fall sharply. This is referred to as "extension risk."

Emerging Markets Debt

Stone Harbor Investment Partners LP's Emerging Market Debt Fund normally will invest at least 80% of its net assets (plus any borrowings made for investment purposes) in Emerging Markets Fixed Income Securities. "Emerging Markets Fixed Income Securities" include Fixed Income Securities and derivative instruments (including, but not limited to, spot and currency contracts, futures, options and swaps) that economically are tied to countries with

Emerging Securities markets or whose performance is linked to those countries' markets, economies or ability to repay loans. Emerging Markets Fixed Income Securities may be denominated in non-U.S. currencies or the U.S. dollar. A security or instrument is economically tied to an Emerging Market country if it is principally traded on the country's Securities markets or the issuer is organized or principally operates in the country, derives a majority of its income from its operations within the country or has a majority of its assets within the country. Emerging Markets Fixed Income Securities also include derivatives and other instruments used to hedge or gain exposure to Emerging Securities Markets (for example, futures or other derivatives whose return is based on specific Emerging Markets Securities or indices). The Fund may use derivatives to a significant extent.

The Fund's investment adviser, Stone Harbor Investment Partners LP (the "Adviser"), has broad discretion to identify and invest in countries that it considers to qualify as Emerging Securities Markets. It is anticipated that the Fund will focus most of its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe. The Fund's investments may include, among other things, sovereign debt Securities, corporate debt Securities, structured notes, convertible Securities, Securities issued by supranational organizations, floating rate commercial loans, securitized loan participations, Rule 144A Securities and derivatives related to these types of Securities. The Fund seeks capital appreciation through country selection, sector selection and Security selection.

The Fund is "non-diversified," which means that it can invest a higher percentage of its assets in any one issuer or in a smaller number of issuers than a diversified fund.

Stone Harbor's Emerging Markets Debt Fund is primarily subject to Emerging Markets Securities risk, foreign Securities risk, currency risk, interest rate risk, derivatives risk, credit risk, High Yield Securities risk, manager risk and non-diversification risk. Please refer to the Fund's prospectus prior to investing for Stone Harbor's full description of these risks at <http://bit.ly/1Hly9O8> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Global Real Estate

Under normal circumstances, at least 80% of the **Morgan Stanley Institutional Fund, Inc. Global Real Estate Portfolio's** (the GREP Fund) assets (plus any borrowings for investment purposes) will be invested in Equity Securities of companies in the real estate industry, including real estate operating companies ("REOCs"), Real Estate Investment Trusts ("REITs") and similar entities established outside the United States ("foreign real estate companies"). The Equity Securities in which the GREP Fund may invest include common stock, preferred stock, convertible Securities, depositary receipts, rights and warrants, and limited partnership interests.

The GREP Fund will invest primarily in companies located in the developed countries of North America, Europe and Asia, but may also invest in Emerging Markets.

The GREP Fund "Adviser", Morgan Stanley Investment Management Inc. ("MSIM Inc."), and the "Sub-Advisers," Morgan Stanley Investment Management Limited ("MSIM Limited") and Morgan Stanley Investment Management Company ("MSIM Company"), respectively, actively manage the GREP Fund using a combination of top-down and bottom-up methodologies. The Adviser's and Sub-Advisers' proprietary models drive the bottom-up value-driven approach for stock selection. The top-down portion

seeks diversified exposure to all major Asset Classes with an overweighting to property markets that offer the best relative valuation. The bottom-up research process strongly influences the Adviser's and Sub-Advisers' perspective on which property markets they believe provide better relative value and growth prospects and, consequently, affects their decision to overweight or underweight a given region, sector and/or country. The Adviser and Sub-Advisers generally consider selling a GREP Fund holding if the holding's share price shifts to the point where the position no longer represents an attractive relative value opportunity versus the underlying value of its assets and/or growth prospects or versus other Securities in the investment universe.

The GREP Fund is primarily subject to Equity Securities risk, REITs, REOCs and foreign real estate companies risk, foreign market risk, Emerging Market risk, and Liquidity risk. Please refer to the Fund's prospectus prior to investing for Morgan Stanley's full description of these risks at <http://mgstn.ly/1lbYA4A> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Stable Value

Invesco Advisers, Inc (Invesco) manages a separate investment account for inVEST that invests in investment contracts (also referred to as "wrap contracts") seeking to produce stable principal balances and a stable and predictable return while avoiding negative returns (the "Stable Value Fund"). It seeks to protect principal, maintain liquidity for Account Owner transactions and, in most market environments, provide a higher return than a money market fund. The investment or wrap contracts utilized provide for minimal fluctuation in principal values but the Stable Value Fund is not guaranteed by Invesco or any other entity. Invesco may invest in a portfolio of investment or wrap contracts issued by financial institutions such as insurance companies and banks. Certain investment or wrap contracts and the Stable Value Fund itself may be backed by diversified portfolios of bonds (typically rated Investment Grade at time of purchase), including corporate bonds, mortgage-backed securities, asset-backed securities, and U.S. Government securities (collectively for the purposes of describing the Stable Value Fund, "Securities"). The Stable Value Fund's overall duration is expected to range from 2 to 4 years, although such duration will be managed opportunistically in light of market conditions and Stable Value Fund liquidity needs. The Stable Value Fund is subject to wrap contract risks, crediting rate risk, liquidity risk, market and default risk, interest rate and yield curve risk, call and prepayment risk, and derivatives risk. The following definitions are supplied for assistance in evaluating the separately managed account:

Wrap Contract Risks. These are the risks that (i) the wrap contract issuer could default, with the potential result of loss of principal should the market value of Securities backing the contract be less than the book value of the contract; (ii) costs incurred to buy the wrap contracts reduce the Stable Value Fund's return; (iii) a terminated wrap contract may be replaced with a contract with less favorable terms or higher costs; (iv) poor market value performance of underlying Securities may lead a wrap contract issuer to exercise its right to terminate the contract or constrain the management of the Stable Value Fund's investments, potentially reducing the Stable Value Fund's performance; (v) use of a small number of wrap contract issuers concentrates exposure to the companies issuing the wrap contracts; (vi) a wrap contract could terminate, resulting in the loss of book value coverage; (vii) certain inVEST program sponsor events, including but not

limited to, bankruptcy or termination of the inVEST program, may result in Account Owner withdrawals or exchanges from the Stable Value Fund being made at market value lower than book value.

Crediting Rate Risk. This is the risk that the Stable Value Fund's credited rate will generally lag market interest rates. Wrap contract crediting rates may be affected, positively or negatively, if a large number of participants request redemptions from the Stable Value Fund or add new contributions to the Stable Value Fund.

Liquidity Risk. This is the risk that Account Owners may withdraw their Stable Value Fund investment; however, an Account Owner desiring to invest in a competing option within the inVEST program (generally a short term bond fund or money market fund) may be required to transfer to a non-competing option and wait for a period of time before transferring from the Stable Value Fund to the competing option. Certain conditions provided for in a wrap contract may result in Account Owner withdrawals or exchanges from the Stable Value Fund taking place at a market value below book value.

Market and Default Risk. This is the risk that Securities' values may decline if the financial strength of the Securities' issuers drops and if there are changes in economic and market conditions, regional or global economic instability, or interest rate fluctuations. Such declines in values may be reflected in reduced future wrap contract crediting rates. Wrap contracts do not cover defaults on Fixed Income Securities in the portfolio. Substantial defaults could cause the Stable Value Fund's credited rate to fall below zero, and Account Owner who withdraw their Stable Value Fund investments at that time may not receive back the full principal amount paid.

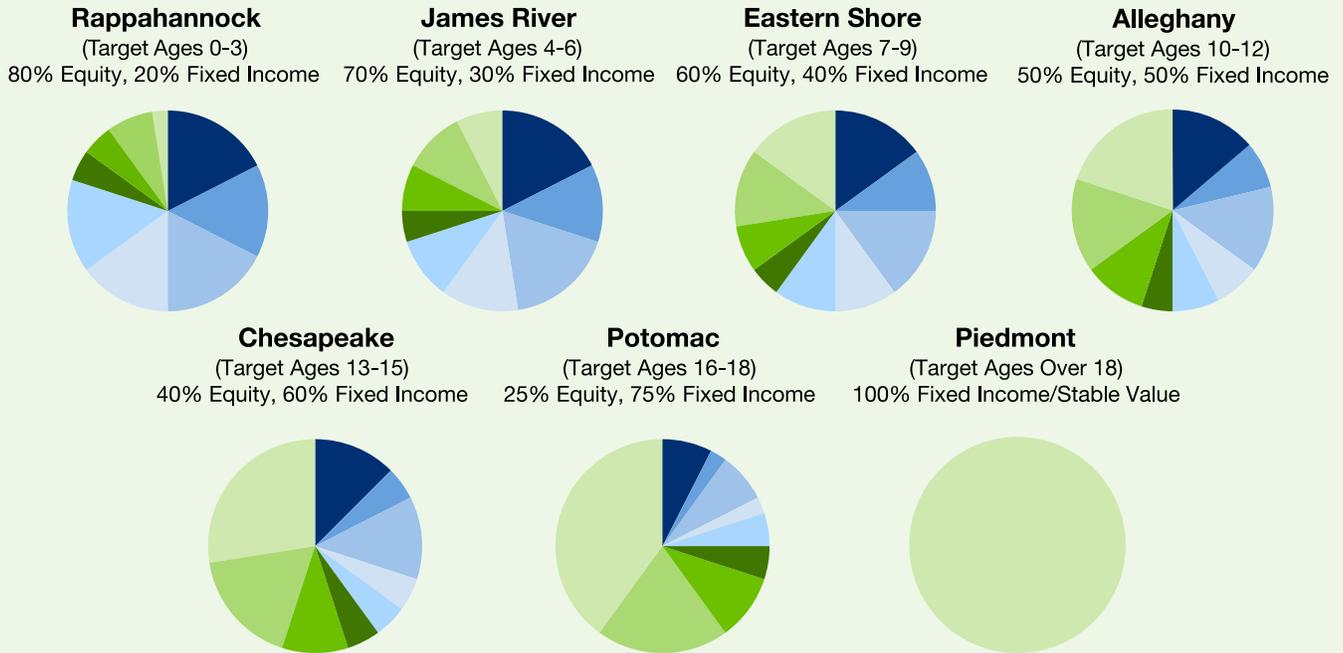
Interest Rate and Yield Curve Risk. This is the risk that, generally, bond prices fall as interest rates rise and rise as interest rates fall. Investors describe a bond's interest rate sensitivity using its duration as a measure of how volatile bond prices may be as interest rates change. Generally, bonds with longer periods to maturity will have a longer duration, and hence a higher likelihood of performance volatility. The longer the duration of a bond or a portfolio of bonds, the greater its sensitivity to interest rate changes.

Call and Prepayment Risk. This is the risk that callable bonds can be called by the company that issued them, usually so the issuer can issue new bonds at a lower interest rate. Homeowners may pay off their mortgage loans early. Both situations force the investor to reinvest the principal sooner than expected, usually at a lower interest rate.

Derivatives Risk. This is the risk that for some derivatives, the Stable Value Fund could lose more than the amount invested. If the Stable Value Fund uses derivatives to "hedge" portfolio risk, the hedge may not succeed. Over the counter derivatives are subject to the risk that the other party to the derivatives contract will not fulfill its contractual obligation to complete the transaction with the Stable Value Fund.

Age-Based Portfolios

NOTE: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official website to learn more. Please also note the investment allocations represented here are only initial target allocations as of 1/1/2015 for each Portfolio. Actual allocations may vary.



Asset Class	Investment Manager	Fund or Separate Account
Large-Cap Domestic Equity	The Vanguard Group, Inc.	Institutional Index Fund
Small-Cap Domestic Equity	The Vanguard Group, Inc.	Small-Cap Index Fund
Small-/Mid-Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate investment account for inVEST
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Templeton Institutional Funds, Inc.	Templeton Foreign Equity Series
Emerging Markets Equity	Aberdeen Asset Management, Inc.	Aberdeen Emerging Market Fund
Emerging Markets Equity	DFA Investment Dimensions Group Inc.	DFA Emerging Markets Core Equity Portfolio
Global Real Estate	Morgan Stanley Investment Management, Inc.	Morgan Stanley Institutional Global Real Estate Fund
High Yield Bonds	Prudential Investment Management, Inc.	Separate investment account for inVEST
Emerging Markets Debt	Stone Harbor Investment Partners, LP	Stone Harbor Emerging Market Debt Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
Stable Value	Invesco Advisers, Inc.	Separate investment account for inVEST

Static Portfolios

inVEST offers Static Portfolios, each of which is intended to address a different investment strategy and risk tolerance. Static Portfolios generally do not change their Asset Allocations. Contributions to your Account will purchase Units in a Static Portfolio which in turn are invested in a Fund or Funds, as shown in the Underlying Investments of the Static Portfolios chart. The Net Asset Value of the Units in each Portfolio will vary from day to day, reflecting changes in the values of the Funds and allocation of the Portfolio's Expense Ratio. The performance of each Static Portfolio depends on the performance of the Fund, which in turn depends on the performance of the Funds' holdings. Virginia529 does not pay interest or dividends generated by a Fund's investment directly to an Account. This income is automatically reinvested in the applicable Fund as earned. This may also affect the

performance of an Account when compared to the Fund's performance.

Account Owners may choose different Portfolios for the same Beneficiary. This will result in multiple Accounts, one Portfolio per Account. Per IRC Section 529 regulations, Account Owners may also change their Portfolio selection twice per calendar year for the same Beneficiary without it being considered a Non-Qualified Distribution. The same Account Owner may not have more than one Account for the same Beneficiary in the same Portfolio.

Depending upon market conditions and other factors, Virginia529 may create a new Portfolio or terminate an existing Portfolio when it deems it to be, in its sole discretion, in the best interests of current and potential Account Owners to do so.

Chart V

The following chart summarizes those Funds in which the inVEST Static Portfolios directly invest as of January 1, 2016. These Asset Allocations and managers are subject to change at any time without notice. Please visit Virginia529.com for the most current information, underlying investment managers, and current benchmarks.

Underlying Investments of Passively-Managed Static Portfolios		
inVEST Portfolio	Fund	Symbol ¹
Aggressive Growth	Vanguard LifeStrategy Growth Fund	VASGX
Moderate Growth	Vanguard LifeStrategy Moderate Growth Fund	VSMGX
Conservative Income	Vanguard LifeStrategy Income Fund	VASIX
Total Stock Market Index	Vanguard Total Stock Market Index Fund	VITSX
Total Bond Market Index	Vanguard Total Bond Market Index Fund	VBMPX
Total International Stock Index	Vanguard Total International Stock Index Fund	VTSNX
Inflation-Protected Securities	Vanguard Inflation-Protected Securities Fund	VIPIX
REIT Index	Vanguard REIT Index Fund	VGSNX

Underlying Investments of Actively-Managed Static Portfolios							
Investment Manager	Asset Class	Fund or Separate Account	Active Aggressive	Active Moderate	Active Conservative	Socially Targeted Investment	Symbol ¹
Aberdeen Asset Management Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	15.00%	7.50%	2.50%	0.00%	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	8.75%	6.875%	3.75%	0.00%	RERGX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	2.50%	20.00%	40.00%	0.00%	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	15.00%	7.50%	5.00%	0.00%	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	5.00%	5.00%	5.00%	0.00%	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	11.25%	3.75%	1.25%	0.00%	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	5.00%	10.00%	10.00%	0.00%	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	8.75%	6.875%	3.75%	0.00%	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	7.50%	15.00%	20.00%	0.00%	VBMPX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	17.50%	13.75%	7.50%	0.00%	VINIX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	3.75%	3.75%	1.25%	0.00%	VSCIX
Parnassus Investments	Large-Cap Domestic Equity	Parnassus Core Equity Fund	0.00%	0.00%	0.00%	100.00%	PRILX

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

Each of the following Fund descriptions is provided by the managers of those Funds.

The fund managers for the Funds of the Aggressive Growth, Moderate Growth, and Conservative Income Portfolios seek to achieve the Funds' investment objectives by investing in a combination of other Mutual Funds representing different Asset Classes.

Passively-Managed Static Portfolios

The Aggressive Growth Portfolio

Investment Objective

The Aggressive Growth Portfolio seeks to provide capital appreciation and some current income.

Investment Strategy

The Aggressive Growth Portfolio invests entirely in the Vanguard LifeStrategy Growth Fund (the "Growth Fund"). The Growth Fund invests in other Vanguard Mutual Funds according to a fixed formula that reflects an allocation of approximately 80% of the Growth Fund's assets to common stocks and 20% to bonds. The percentages of the Growth Fund's assets allocated to each of the Asset Classes are presented in the Allocation of Vanguard LifeStrategy Funds chart. The benchmark components of the composite index for the Growth Fund are the CRSP US Total Market Index, the FTSE Global All Cap ex US Index, the Barclays U.S. Aggregate Float Adjusted Index, and the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged).

The Growth Fund's indirect stock holdings are a diversified mix of large-, mid-, small-, and micro-capitalization U.S. stocks and foreign stocks. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and Investment Grade corporate bonds; mortgage-backed and asset-backed Securities; and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar (but hedged by Vanguard to minimize foreign currency exposure). The Growth Fund's board of trustees allocates the Growth Fund's assets among the underlying funds based on the Growth Fund's investment objective and policies. The Growth Fund's board of trustees may change these allocations from time to time without shareholder approval.

Investment Risks

Because the Aggressive Growth Portfolio invests entirely in the Vanguard LifeStrategy Growth Fund, the Portfolio is primarily subject to a high level of stock market risk and a moderate level of country/regional risk and currency risk. The Portfolio is also subject to bond risks, including interest rate risk, credit risk, income risk, and call/prepayment risk, and low levels of currency hedging risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard LifeStrategy Growth Fund at <http://vgi.vg/1OAd5dW> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Moderate Growth Portfolio

Investment Objective

The Moderate Growth Portfolio seeks to provide capital appreciation and a low to moderate level of current income.

Investment Strategy

The Moderate Growth Portfolio invests entirely in the Vanguard LifeStrategy Moderate Growth Fund (the "Moderate Growth Fund"). The Moderate Growth Fund invests in other Vanguard Mutual Funds according to a fixed formula that reflects an allocation of approximately 60% of the Moderate Growth Fund's assets to common stocks and 40% to bonds. The percentages of the Moderate Growth Fund's assets allocated to each of the Asset Classes are presented in the Allocation of Vanguard LifeStrategy Funds chart. The benchmark components of the composite index for the Moderate Growth Fund are the CRSP US Total Market Index, the Barclays U.S. Aggregate Float Adjusted Index, the FTSE Global All Cap ex US Index, and the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged).

The Moderate Growth Fund's indirect stock holdings are a diversified mix of large-, mid-, small-, and micro-capitalization U.S. stocks and foreign stocks. Its indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and Investment Grade U.S. corporate bonds; mortgage-backed and asset-backed Securities, and government, agency, corporate, and securitized investment-graded foreign bonds issued in currencies other than the U.S. dollar (but hedged by Vanguard to minimize foreign currency exposure). The Moderate Growth Fund's board of trustees allocates the Moderate Growth Fund's assets among the underlying funds based on the Moderate Growth Fund's investment objectives and policies. The Moderate Growth Fund's board of trustees may change these allocations from time to time without shareholder approval.

Investment Risks

Because the Moderate Growth Portfolio invests entirely in the Vanguard LifeStrategy Moderate Growth Fund, the Portfolio is primarily subject to stock market risk; and a moderate level of country/regional risk and currency risk. The Portfolio is also subject to moderate levels of bond risks, including interest rate risk, credit risk, income risk, and call/prepayment risk, and low levels of currency hedging risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard LifeStrategy Moderate Growth Fund at <http://vgi.vg/1IZMdsx> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Conservative Income Portfolio

Investment Objective

The Conservative Income Portfolio seeks to provide current income and some capital appreciation.

Investment Strategy

The Conservative Income Portfolio invests entirely in the Vanguard LifeStrategy Income Fund (the "Income Fund"). The Income Fund invests in other Vanguard Mutual Funds according to a fixed formula that reflects an allocation of approximately 80% of the Income Fund's assets to bonds, and 20% to common stocks. The percentages of the Income Fund's assets allocated to each of the Asset Classes are presented in the Allocation of Vanguard LifeStrategy Funds chart. The benchmark components of the composite index for the Income Fund are the Barclays U.S. Aggregate Float Adjusted Index, the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged), the CRSP US Total Market Index, and the FTSE Global All Cap ex US Index.

The Income Fund's indirect bond holdings are a diversified mix of short-, intermediate-, and long-term U.S. government, U.S. agency, and Investment Grade corporate bonds; mortgage-backed and asset-backed Securities; and government, agency, corporate, and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar (but hedged by Vanguard to minimize foreign currency exposure). Its indirect stock holdings are a diversified mix of foreign large-, mid-, small-, and micro-capitalization U.S. stocks and foreign stocks. The Income Fund's board of trustees allocates Income Fund assets among the underlying funds based on the Income Fund's investment objectives and policies. The Income Fund's board of trustees may change these allocations from time to time without shareholder approval.

Investment Risks

Because the Conservative Income Portfolio invests entirely in the Vanguard LifeStrategy Income Fund, the Portfolio is primarily subject to bond risks, including interest rate risk, credit risk, income risk, and call/prepayment risk. The Portfolio is also subject to a low to moderate level of stock market

risk, currency hedging risk, and low levels of country/regional risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard LifeStrategy Income Fund at <http://vgi.vg/1IZMbRm> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Chart VI

The following chart shows the allocation of moneys in Vanguard LifeStrategy Funds that make up the investments of the Aggressive Growth, Moderate Growth and Conservative Income inVEST Portfolios. The allocations may change based on manager's determination.

Allocation of Vanguard LifeStrategy Funds			
	inVEST Portfolio		
	Aggressive Growth	Moderate Growth	Conservative Income
Vanguard LifeStrategy Fund	LifeStrategy Growth	LifeStrategy Moderate Growth	LifeStrategy Income
Expected Long-Term Allocation:	80% Equity 20% Fixed Income	60% Equity 40% Fixed Income	20% Equity 80% Fixed Income

Visit Virginia529.com for updated inVEST information.

The Total Stock Market Index Portfolio

Investment Objective

The Total Stock Market Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.

Investment Strategy

The Total Stock Market Index Portfolio invests entirely in the Vanguard Institutional Total Stock Market Index Fund (the "Total Stock Market Index Fund"), which employs an indexing investment approach designed to track the performance of the CRSP US Total Market Index. The Index represents approximately 100% of the investable U.S. stock market and includes large-, mid-, small-, and micro-cap stocks regularly traded on the New York Stock Exchange and Nasdaq.

The Total Stock Market Index Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of Securities that, in the aggregate, approximates the full Index in terms of key characteristics. These key characteristics include industry weightings and Market Capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Investment Risks

Because the Total Stock Market Index Portfolio invests entirely in the Vanguard Total Stock Market Index Fund, the Portfolio is primarily subject to stock market risk and has low levels of index sampling risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard Total Stock Market Index Fund at <http://vgi.vg/1TAUe2e> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Total Bond Market Index Portfolio

Investment Objective

The Total Bond Market Index Portfolio seeks to track the performance of a broad, market-weighted bond index.

Investment Strategy

The Total Bond Market Index Portfolio invests entirely in the Vanguard Total Bond Market Index Fund (the "Total Bond Market Index Fund"), which employs an indexing investment approach designed to track the performance of the Barclay's U.S. Aggregate Float Adjusted Index. This Index represents a wide spectrum of public, Investment Grade, taxable, Fixed Income Securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed Securities, all with maturities of more than 1 year. The Total Bond Market Index Fund invests by sampling the Index, meaning that it holds a broadly diversified collection of Securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Total Bond Market Index Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which generally ranges between 5 and 10 years.

Investment Risks

Because the Total Bond Market Index Portfolio invests entirely in the Vanguard Total Bond Market Index Fund, the Portfolio is subject to a moderate level of interest rate risk, income risk, and call/prepayment risk. The Portfolio is also subject to low levels of credit risk, index sampling risk and extension risk.

Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard Total Bond Market Index Fund at <http://vgi.vg/1YLgLwh> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Total International Stock Index Portfolio

Investment Objective

The Total International Stock Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in developed and Emerging Markets, excluding the United States.

Investment Strategy

The Total International Stock Index Portfolio invests entirely in the Vanguard Total International Stock Index Fund (the "Total International Stock Index Fund"), which employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure Equity market performance of companies located in developed and Emerging Markets, excluding the United States. The Index includes more than 5,550 stocks of companies located in 46 countries. The Total International Stock Index Fund invests all, or substantially all, of its assets in the common stocks included in its target index.

Investment Risks

Because the Total International Stock Index Portfolio invests entirely in the Vanguard Total International Stock Index Fund, the Portfolio is primarily subject to stock market risk, country/regional risk, currency risk, investment style risk, and Emerging Markets risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard Total International Stock Index Fund at <http://vgi.vg/1IrHJ8b> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Inflation-Protected Securities Portfolio

Investment Objective

The Inflation-Protected Securities Portfolio seeks to provide inflation protection and income consistent with investment in inflation-indexed Securities.

Investment Strategy

The Inflation-Protected Securities Portfolio invests entirely in the Vanguard Inflation-Protected Securities Fund (the "Inflation-Protected Securities Fund"), which invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities, and corporations. The Inflation-Protected Securities Fund may invest in bonds of any maturity; however, its dollar-weighted average maturity is expected to be in the range of 7 to 20 years. At a minimum, all bonds purchased by the Inflation-

Protected Securities Fund will be rated Investment Grade, or if unrated, will be considered by the advisor to be Investment Grade.

Investment Risks

Because the Inflation-Protected Securities Portfolio invests entirely in the Vanguard Inflation-Protected Securities Fund, the Portfolio is subject to a high level of income fluctuation risk. The Portfolio also has low to moderate levels of interest rate risk and manager risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard Inflation-Protected Securities Fund at <http://vgi.vg/1QWEesX> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

The Vanguard Inflation-Protected Securities Fund seeks to provide protection from inflation as measured by the Consumer Price Index (CPI). It is possible that the costs of higher education may increase at a rate that exceeds the rate of increase of the CPI. There is no guarantee that the Vanguard Inflation –Protected Securities Fund will protect investors from the rising costs of higher education.

The Real Estate Investment Trust (REIT) Index Portfolio

Investment Objective

The Real Estate Investment Trust (REIT) Index Portfolio seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded Equity REITs.

Investment Strategy

The REIT Index Portfolio invests entirely in the Vanguard REIT Index Fund (the "REIT Index Fund"), which employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The Index is composed of stocks of publicly traded Equity Real Estate Investment Trusts (known as REITs). The REIT Index Fund attempts to replicate the Index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

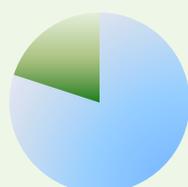
Investment Risks

Because the REIT Index Portfolio invests entirely in the Vanguard REIT Index Fund, the Portfolio is subject to a high level of industry concentration risk and interest rate risk. The Portfolio is also subject to stock market risk and investment style risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard REIT Index Fund at <http://vgi.vg/1IZMk7A> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Passively-Managed Static Portfolios

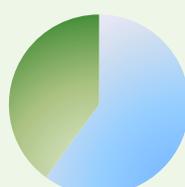
NOTE: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official website to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary. In addition, the board of trustees for each of the Aggressive Growth, Moderate Growth, and Conservative Income Portfolios' funds allocate each fund's assets amongst underlying funds based on the particular Fund's investment objectives and policies. Each Fund's board of trustees may change these allocations from time to time without shareholder approval.

Aggressive Growth



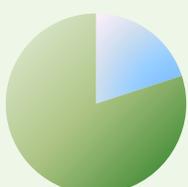
Vanguard LifeStrategy Growth Fund
Approx. 80% Equity
Approx. 20% Fixed Income

Moderate Growth



Vanguard LifeStrategy Moderate Growth Fund
Approx. 60% Equity
Approx. 40% Fixed Income

Conservative Income



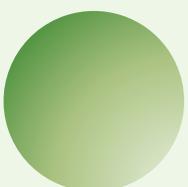
Vanguard LifeStrategy Income Fund
Approx. 20% Equity
Approx. 80% Fixed Income

Total Stock Market Index



Vanguard Total Stock Market Index Fund
100% Domestic Equity

Total Bond Market Index



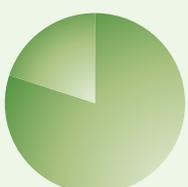
Vanguard Total Bond Market Index Fund
100% Fixed Income

Total International Stock Index



Vanguard Total International Stock Index Fund
100% International & Emerging Markets Equity

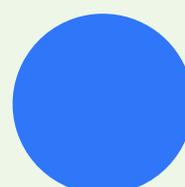
Inflation-Protected Securities



Vanguard Inflation-Protected Securities Fund*
80% Inflation-Indexed Fixed Income
20% Fixed Income/Cash

*At least 80% or more of the Fund will be invested in inflation-indexed Securities and up to 20% in other Fixed Income Securities and/or cash.

Real Estate Investment Trust (REIT) Index



Vanguard REIT Index Fund
100% Equity REIT's

Actively-Managed Static Portfolios

The Socially Targeted Investment Portfolio

Investment Objective

The investment objective of the Socially Targeted Investment Portfolio is to achieve both capital appreciation and current income by investing primarily in a diversified portfolio of large-cap Equity Securities using financial, environmental, social, and governance (ESG) criteria.

Investment Strategy

The Socially Targeted Investment Portfolio invests entirely in the Parnassus Core Equity Fund. In general, Parnassus Investments will choose to invest in companies that it believes will generate attractive risk-adjusted returns over the long term while taking ESG factors into account. The key criteria the investment team looks for in its company-specific investment process are: future relevancy of a company's products or services, sustainable competitive advantages, quality management and attractive valuation. The Fund invests principally in undervalued Equity Securities of large-cap companies. At least 75% of the Parnassus Core Equity Fund's total assets will be invested in Equity Securities that

pay dividends. The remaining 25% of the Fund's total assets may be invested in non-dividend paying Equity Securities. Up to 20% of the Parnassus Core Equity Fund's total assets can be invested in foreign Securities (typically through American Depository receipts).

Responsible Investment Policy

Parnassus Investments conducts fundamental research to determine a company's financial health and its business prospects, and also takes ESG factors into account in making investment decisions. By incorporating ESG factors into its fundamental investment process, Parnassus Investments often identifies risks and opportunities that the market may have ignored. Parnassus Investments looks for companies that respect the environment, treat their employees well, and have effective equal-employment-opportunity policies and good community relations. Companies also must have strong corporate governance policies and ethical business dealings. Parnassus Investments will not invest in companies that derive significant revenues from the manufacture of alcohol, tobacco, or weapons, companies that have direct gambling operations, and companies that generate electricity from nuclear power facilities. The spirit of these exclusionary screens is to avoid investment in companies with negative impacts that outweigh any potential benefits from their business activities.

Investment Risks

The Socially Targeted Investment Portfolio invests entirely in the Parnassus Core Equity Fund. Because it invests entirely in an actively managed Fund it is subject to manager risk. The Portfolio is also subject to investment style risk. The Fund's share price may change daily based on the value of its security holdings. Stock markets can be volatile, and stock values fluctuate in response to the asset levels of individual companies and in response to general domestic and international market and economic conditions. In addition to large-cap companies, the Fund strategy may invest in small- and/or mid-cap companies, which can be more volatile than large-cap firms. Security holdings in the Fund can vary significantly from broad market indexes. Please refer to the Fund's prospectus prior to investing for Parnassus' full description of these risks at <http://bit.ly/1O5QDER> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Active Aggressive Portfolio

Investment Objective

The investment objective of the Active Aggressive Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 80% equity/ 20% fixed-income Age-Based portfolio (currently the Rappahannock Portfolio). This asset allocation will remain fixed and will not evolve with the Age-Based portfolios.

Investment Strategy

The Active Aggressive Portfolio maintains a target asset allocation of 80% equity, 20% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 17.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 11.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 8.75% international equity, managed by Capital Research and Management Co.; 8.75% international

equity managed by Templeton Institutional Funds, Inc.; 15% emerging markets equity, managed by Aberdeen Asset Management Inc.; 15% global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 5% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 7.5% Market Fixed Income, managed by The Vanguard Group, Inc.; and 2.5% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Aggressive Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Active Aggressive Portfolio can be found in the Age-Based Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in this section.

Active Moderate Portfolio

Investment Objective

The investment objective of the Active Moderate Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 50% equity/ 50% fixed-income Age-Based portfolio (currently the Alleghany Portfolio). This asset allocation will remain fixed and will not evolve with the Age-Based portfolios.

Investment Strategy

The Active Moderate Portfolio maintains a target asset allocation of 50% equity, 50% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 13.75% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 6.875% international equity, managed by Capital Research and Management Co.; 6.875% international equity managed by Templeton Institutional Funds, Inc.; 7.5% emerging markets equity, managed by Aberdeen Asset Management Inc.; 7.5% global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 10% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 15% Market Fixed Income, managed by The Vanguard Group, Inc.; and 20% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Moderate Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Active Moderate Portfolio can be found in the Age-Based Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in this section.

Active Conservative Portfolio

Investment Objective

The investment objective of the Active Conservative Portfolio is to maintain a fixed target asset allocation identical to the initial target allocation of the current 25% equity/ 75% fixed-income Age-Based portfolio (currently the Potomac Portfolio). This asset allocation will remain fixed and will not evolve with the Age-Based portfolios.

Investment Strategy

The Active Conservative Portfolio maintains a target asset allocation of 25% equity, 75% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 7.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 3.75% international equity, managed by Capital Research and Management Co.; 3.75% international equity managed by Templeton Institutional Funds, Inc.; 2.5% emerging markets equity, managed by Aberdeen Asset Management Inc.; 5%

global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 10% emerging markets debt, managed by Stone Harbor Investment Partners, LP; 20% Market Fixed Income, managed by The Vanguard Group, Inc.; and 40% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Conservative Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

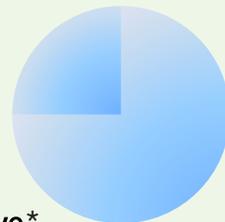
Investment Risks

A complete description of each of the risks associated with the underlying Funds of the Active Conservative Portfolio can be found in the Age-Based Portfolios section of this document. Information on obtaining prospectuses for the respective Funds is also contained in this section.

Actively-Managed Static Portfolios

NOTE: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official website to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.

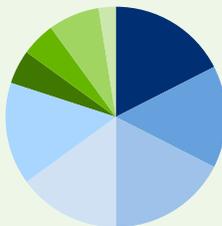
Socially Targeted Investment



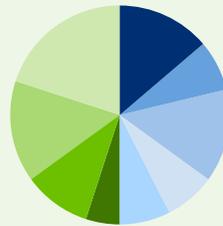
Parnassus Core Equity Fund

75% Dividend Paying Equity Securities
25% Non-Dividend Paying Equity, Short Term or Money Market Instruments

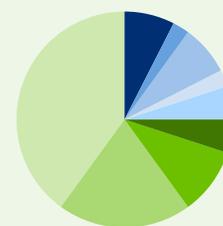
Active Aggressive*
80% Equity, 20% Fixed Income



Active Moderate*
50% Equity, 50% Fixed Income



Active Conservative*
25% Equity, 75% Fixed Income



Asset Class	Investment Manager	Fund or Separate Account
Large-Cap Domestic Equity	The Vanguard Group, Inc.	Institutional Index Fund
Small-Cap Domestic Equity	The Vanguard Group, Inc.	Small-Cap Index Fund
Small-/Mid-Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate investment account for inVEST
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Templeton Institutional Funds, Inc.	Templeton Foreign Equity Series
Emerging Markets Equity	Aberdeen Asset Management, Inc.	Aberdeen Emerging Market Fund
Emerging Markets Equity	DFA Investment Dimensions Group Inc.	DFA Emerging Markets Core Equity Portfolio
Global Real Estate	Morgan Stanley Investment Management, Inc.	Morgan Stanley Institutional Global Real Estate Fund
High Yield Bonds	Prudential Investment Management, Inc.	Separate investment account for inVEST
Emerging Markets Debt	Stone Harbor Investment Partners, LP	Stone Harbor Emerging Market Debt Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
Stable Value	Invesco Advisers, Inc.	Separate investment account for inVEST

*Legend applies only to these Actively-Managed Static Portfolios

Fees and Expenses

inVEST's general operating expenses will be deducted from Account balances based on the average daily net assets in an Account. inVEST's general operating expenses include operating and payroll costs, investment management and custodial fees, banking fees, software maintenance and development costs, marketing and communication expenses, and fees for other services.

Virginia529 receives no state appropriation and is entirely self-funded. Accordingly, Virginia529 assesses an Administrative Fee to offset inVEST's general operating expenses. The effect of Virginia529's Administrative Fee is to reduce the daily Net Asset Value of each Portfolio. The following chart shows Virginia529's fees and expenses associated with each Portfolio. These expenses may be increased or decreased at Virginia529's sole discretion.

Chart VII

The following chart shows VA529's fees and expenses associated with each Portfolio. These expenses may be increased or decreased at Virginia529's sole discretion.

inVEST Program Fees			
Asset-based charges effective June 30, 2015			
inVEST Investment Options	Asset Management Fee ¹	VA529 Administrative Fee	Total Est. Expense Ratio
Age-Based Portfolios			
Rappahannock ²	0.59%	0.15%	0.74%
James River ²	0.51%	0.15%	0.66%
Eastern Shore ²	0.47%	0.15%	0.62%
Alleghany ²	0.41%	0.15%	0.56%
Chesapeake ²	0.34%	0.15%	0.49%
Potomac ²	0.29%	0.15%	0.44%
Southside ^{2,3}	0.17%	0.15%	0.32%
Blue Ridge ^{2,3}	0.10%	0.15%	0.25%
Piedmont	0.10%	0.15%	0.25%
Passively-Managed Static Portfolios			
Aggressive Growth ⁴	0.17%	0.15%	0.32%
Moderate Growth ⁴	0.16%	0.15%	0.31%
Conservative Income ⁴	0.14%	0.15%	0.29%
Total Stock Market Index ⁴	0.04%	0.15%	0.19%
Total Bond Market Index ⁴	0.05%	0.15%	0.20%
Total International Stock Index ⁴	0.12%	0.15%	0.27%
Inflation-Protected Securities ⁴	0.07%	0.15%	0.22%
REIT Index ⁴	0.10%	0.15%	0.25%
Actively-Managed Static Portfolios			
Active Aggressive ⁵	0.59%	0.15%	0.74%
Active Moderate ⁵	0.41%	0.15%	0.56%
Active Conservative ⁵	0.29%	0.15%	0.44%
Socially Targeted Investment	0.67%	0.15%	0.82%

¹ Reflects each underlying Fund's Expense Ratio disclosed in its June 30, 2015 prospectus. The Expense Ratio of the underlying Funds may change.

² For multi-Fund Portfolios, the Expense Ratio shown represents a weighted average of the expenses of the Portfolio's underlying Funds as disclosed in each June 30, 2015 prospectus. The fees and expenses of the underlying Funds may change.

³ Southside and Blue Ridge are the current transition Portfolios and are closed to new participants.

⁴ These Portfolios invest in Vanguard Funds. The estimated underlying Fund expenses for these Portfolios therefore reflect each additional fund's Asset Management Fee as disclosed in its prospectus as of June 30, 2015. Expenses shown for multi-fund Portfolios represent a weighted average of the expenses of the underlying Funds. The fees and expenses of the underlying Funds may change.

⁵ Asset Management Fees represent a projected amount, as these portfolios did not exist at 6/30/2015. The calculation represents an average of each underlying Fund's expenses as of June 30, 2015, weighted by the Portfolio's Asset Allocation.

Other Charges. Virginia529 will assess a \$50 application fee for opening an inVEST Account using a paper application. No application fee is assessed when opening an Account online. Virginia529 does not charge an annual Account maintenance fee, but reserves the right to charge Account Owners other administrative fees, including but not limited to fees for Rollovers, Account cancellations, Beneficiary and Account Owner changes. Current fees are set out in the following table, which may be amended by Virginia529 from time to time without notice. The most current fee schedule is available at Virginia529.com. Whole or fractional Units in inVEST Accounts may be liquidated to pay any fees, expenses or liabilities owed to Virginia529. Virginia529, in its sole discretion, reserves the right to waive certain fees in circumstances where it deems a waiver appropriate or for marketing or other purposes.

Chart VIII

The following chart shows other administrative fees that may be charged by Virginia529.

Other Fees ¹	
Type of Fee	Amount
Paper Application	\$50
Account Cancellation ²	\$25
Rollover to Another QTP ³	\$25
Change of Account Owner ⁴	\$10
Non-sufficient Funds	\$25
Expedited Distribution	\$50
Other Administrative Fees	Set by Virginia529

¹ Subject to change at any time in the future at the sole discretion of Virginia529.

² Waived in case of Beneficiary's death, disability or receipt of scholarship.

³ Waived for Rollovers to prePAID.

⁴ Waived in case of Account Owner's death or disability.

Chart IX

The following chart is a hypothetical example and compares the approximate cost of investing in inVEST over different periods of time. Your actual cost may be higher or lower. The table is based upon the following assumptions:

- A \$10,000 Contribution invested for the time periods shown.
- A 5% annualized rate of return is achieved on the amount invested throughout the calculation periods. Income earned is accrued and compounded on a daily basis (which more closely replicates the daily Net Asset Value per share calculation used by Mutual Funds).
- Total annual asset-based fees remain the same as those shown in the asset-based charges table, inVEST Program Fees, throughout the calculation periods. The investment expense is calculated and accrued on a daily basis (which more closely replicates the daily Net Asset Value per share calculation used by Mutual Funds).

There are no annual Account maintenance fees assessed on inVEST Accounts. Therefore it is not necessary to provide for any such charges in the projected investment cost calculations. The hypothetical example does not include any of the potential tax benefits associated with Contributions or tax penalties associated with Non-Qualified Distributions related to an investment in inVEST. This hypothetical example does not represent actual past or future performance. Actual expenses and performance may be different than those included here.

Investment Cost Example				
Effective June 30, 2015				
inVEST Investment Options	Approximate Cost of \$10,000 Investment			
	One Year	Three Years	Five Years	Ten Years
Age-Based Portfolios				
Rappahannock	\$76	\$237	\$413	\$923
James River	\$68	\$212	\$369	\$827
Eastern Shore	\$64	\$199	\$347	\$779
Alleghany	\$58	\$180	\$314	\$705
Chesapeake	\$51	\$158	\$275	\$620
Potomac	\$46	\$142	\$248	\$558
Southside ¹	\$33	\$104	\$181	\$409
Blue Ridge ¹	\$26	\$81	\$142	\$321
Piedmont	\$26	\$81	\$142	\$321
Passively-Managed Static Portfolios				
Aggressive Growth	\$33	\$104	\$181	\$409
Moderate Growth	\$32	\$100	\$175	\$396
Conservative Income	\$30	\$94	\$164	\$371
Total Stock Market Index	\$20	\$62	\$108	\$245
Total Bond Market Index	\$21	\$65	\$114	\$257
Total International Stock Index	\$28	\$88	\$153	\$346
Inflation-Protected Securities	\$23	\$71	\$125	\$283
REIT Index	\$26	\$81	\$142	\$321
Actively-Managed Static Portfolios				
Active Aggressive ²	\$76	\$237	\$413	\$923
Active Moderate ²	\$58	\$180	\$314	\$705
Active Conservative ²	\$46	\$142	\$248	\$558
Socially Targeted Investment	\$84	\$263	\$457	\$1,019

¹Southside and Blue Ridge are the current transition Portfolios and are closed to new participants.

²Investment costs derived from projected expense ratios, as the Portfolios did not exist at 6/30/2015.

Investment Performance

Investment performance of the inVEST Portfolios as of June 30, 2015 are in the Investment Performance chart below. Current performance information is on the Virginia529 website at Virginia529.com.

inVEST investors should keep in mind that the net performance of the inVEST Portfolios will differ from the performance of the Funds in which the Portfolios are invested, even where a Portfolio invests in a single Fund. This is due in part to the differences in the Asset Management Fees of the Funds and the Expense Ratios of the inVEST Portfolios. While

the Funds' Asset Management Fees are a part of the Expense Ratios of the Portfolios, the Portfolios also include the inVEST Administrative Fee of 0.15%. Thus, in the case of a Portfolio that invests in a single Fund, the Portfolio's performance will be lower than the performance of the Fund itself. Investment Performance shown in the chart is net of all expenses.

Performance differences between the Portfolios and the Funds also result from differences in the timing of purchases. Money invested in a Portfolio will not be invested in the Funds on the same day. The timing difference may cause the Portfolio's performance to trail or exceed the performance of the Fund.

Chart X

The following chart shows performance and benchmarks of the Virginia529 inVEST Portfolios since inception.

Investment Performance							
As of June 30, 2015							
inVEST Investment Options	Inception Date	One Year	Three Years	Five Years	Ten Years	Since Inception	Estimated Expense Ratio
Age-Based Portfolios							
Rappahannock	January 2014	1.38%	N/A	N/A	N/A	5.30%	0.74%
<i>Rappahannock Benchmark</i>		1.03%	N/A	N/A	N/A	5.22%	
James River	January 2011	1.68%	10.40%	N/A	N/A	7.65%	0.66%
<i>James River Benchmark</i>		1.02%	10.67%	N/A	N/A	7.52%	
Eastern Shore	February 2008	1.23%	9.49%	10.27%	N/A	4.87%	0.62%
<i>Eastern Shore Benchmark</i>		0.73%	9.70%	10.00%	N/A	4.72%	
Alleghany	August 2005	1.32%	8.50%	9.47%	N/A	5.45%	0.56%
<i>Alleghany Benchmark</i>		0.92%	8.58%	9.09%	N/A	4.92%	
Chesapeake	January 2002	1.19%	7.52%	8.63%	5.56%	5.87%	0.49%
<i>Chesapeake Benchmark</i>		0.90%	7.58%	8.22%	5.13%	5.35%	
Potomac	January 2000	0.77%	6.36%	7.51%	5.25%	4.56%	0.44%
<i>Potomac Benchmark</i>		0.61%	6.35%	7.10%	4.77%	3.32%	
Southside	January 2000	0.79%	4.62%	6.12%	4.81%	4.30%	0.32%
<i>Southside Benchmark</i>		0.56%	4.48%	5.62%	4.25%	3.19%	
Blue Ridge	January 2000	1.45%	1.30%	3.45%	3.56%	3.67%	0.25%
<i>Blue Ridge Benchmark</i>		0.87%	1.06%	2.78%	2.86%	2.58%	
Piedmont	January 2000	1.45%	1.40%	2.17%	3.29%	3.82%	0.25%
<i>Piedmont Benchmark</i>		0.87%	0.87%	0.88%	1.95%	2.84%	
Passively-Managed Static Portfolios							
Aggressive Growth	January 2002	3.17%	12.34%	12.15%	6.23%	5.89%	0.32%
<i>Aggressive Growth Benchmark</i>		2.60%	12.36%	12.30%	6.58%	6.24%	
Moderate Growth	January 2002	2.94%	9.66%	9.98%	5.83%	5.61%	0.31%
<i>Moderate Growth Benchmark</i>		1.60%	9.43%	9.85%	6.03%	5.86%	
Conservative Income	January 2002	2.36%	4.32%	5.24%	4.42%	4.35%	0.29%
<i>Conservative Income Benchmark</i>		-0.46%	3.75%	4.81%	4.31%	4.33%	
Total Stock Market Index	August 2005	7.04%	17.49%	17.36%	N/A	7.74%	0.19%
<i>Total Stock Market Index Benchmark</i>		7.05%	17.51%	17.39%	N/A	7.74%	
Total Bond Market Index	September 2005	1.60%	1.55%	3.11%	N/A	4.27%	0.20%
<i>Total Bond Market Index Benchmark</i>		1.63%	1.61%	3.14%	N/A	4.25%	
Total International Stock Index	September 2005	-4.75%	9.70%	8.04%	N/A	4.65%	0.27%
<i>Total International Stock Index Benchmark</i>		-4.39%	11.24%	9.03%	N/A	4.23%	
Inflation-Protected Securities	September 2005	-1.95%	-1.04%	3.01%	N/A	3.84%	0.22%
<i>Inflation-Protected Securities Benchmark</i>		-1.88%	-0.94%	3.10%	N/A	3.97%	
REIT Index	September 2005	3.70%	8.49%	14.05%	N/A	6.79%	0.25%
<i>REIT Index Benchmark</i>		3.78%	8.53%	14.10%	N/A	6.51%	
Actively-Managed Static Portfolios							
Active Aggressive	October 2015	N/A	N/A	N/A	N/A	N/A	0.74%
<i>Active Aggressive Benchmark</i>		N/A	N/A	N/A	N/A	N/A	
Active Moderate	October 2015	N/A	N/A	N/A	N/A	N/A	0.56%
<i>Active Moderate Benchmark</i>		N/A	N/A	N/A	N/A	N/A	
Active Conservative	October 2015	N/A	N/A	N/A	N/A	N/A	0.44%
<i>Active Conservative Benchmark</i>		N/A	N/A	N/A	N/A	N/A	
Socially Targeted Investment	November 2009	4.50%	17.99%	16.25%	N/A	14.27%	0.82%
<i>Socially Targeted Investment Benchmark</i>		7.27%	17.12%	17.15%	N/A	15.13%	

Past performance is no guarantee of future results. Please review the entire inVEST Program Description before making any investment decisions.

All investment return information is calculated by BNY Mellon Asset Servicing. Returns are presented net of management fees and inVEST Administrative Fees. Returns for periods greater than one year are annualized.

Newer inVEST offerings do not yet have an established performance history for all categories listed.

The Portfolio benchmark is a blended composite benchmark that reflects the asset strategic benchmark index components for each underlying investment manager, and an adjustment reflecting the inVEST Administrative Fee for the Portfolio.

Performance returns are calculated beginning with the first full month that funds were invested.

Southside and Blue Ridge are the current transition Portfolios and are closed to new participants.

As new inVEST offerings, the Active Aggressive, Active Moderate and Active Conservative Portfolios do not yet have an established performance history.

Virginia529 Administration and Management

Virginia529 is a body politic and corporate and an independent state agency. Virginia529's enabling legislation is codified at Sections 23-38.75 through 23-38.87:1 of the Code of Virginia (1950), as amended. In its 1999 Session, the General Assembly unanimously passed legislation authorizing Virginia529's Board to create one or more savings trust investment options in conformance with the provisions of IRC Section 529. Virginia529 is a special, non-reverting fund, and its enabling legislation provides that its money cannot be used by the Commonwealth of Virginia for any other purpose. The General Assembly may amend Virginia529's legislation during any regular or special session of the legislature, subject to the Governor's veto, and the General Assembly's ability to override a veto.

Virginia529 is administered by an 11-member Board, consisting of the Director of the State Council of Higher Education for Virginia or his designee; the Chancellor of the Virginia Community College System or his designee; the State Treasurer or his designee; the State Comptroller or his designee; and seven citizen members: four to be appointed by the Governor, one to be appointed by the Senate Committee on Rules and two to be appointed by the Speaker of the House of Delegates. State law mandates that the seven citizen members have significant experience in finance, accounting, law, or investment management. Members of the Board receive no compensation, but are reimbursed for actual expenses incurred in the performance of their duties. Virginia529's Chief Executive Officer is Mary G. Morris. Ms. Morris, a former tax, securities and bond attorney, as well as a former Treasurer of Virginia and Senior Assistant Attorney General for Virginia, oversees the daily administration and operations of Virginia529.

Virginia529 is required to submit an annual statement of the receipts, disbursements, and current investments for the preceding year to the Governor of the Commonwealth of Virginia, the Senate Committee on Finance, and the House Committees on Appropriations and Finance. The report includes a complete operating and financial statement covering the operation of Virginia529 during the year. The Virginia Auditor of Public Accounts, or his legally authorized representative, audits inVEST and Virginia529's accounts annually. Virginia529 is also subject to oversight from the Joint Legislative Audit and Review Commission (JLARC).

inVEST Administration

inVEST maintains separate records for each Account. Contributions to an Account will be commingled for purposes of investment only. inVEST funds are invested with one or more outside investment managers or in Mutual Funds, depending on the investment Portfolio selected by the Account Owner. Mercer Investment Consulting, Inc. serves as the Board's investment consultant, and assists in the selection of outside investment managers and Mutual Funds in conjunction with the Board's Investment Advisory Committee. Please see the "Investment Options" section for more detailed information.

In addition to inVEST, Virginia529 administers prePAID, a prepaid tuition program, CollegeAmerica, a college savings program available only through financial advisers and offering a variety of American Funds mutual fund portfolios, and CollegeWealth, a college savings program offered in partnership with participating banks to provide FDIC-insured deposit accounts.

Account Owners, other individuals contributing to an inVEST Account, and Beneficiaries are encouraged to consult their tax, financial or legal adviser to determine the effect of federal and state tax laws on their specific situation.

Individual tax situations vary greatly. Please consult a tax adviser concerning any legal or tax implications arising from opening an inVEST Account. Virginia529 cannot provide legal, financial or tax advice, and the foregoing summary should not be construed as legal, financial or tax advice with respect to the consequences for any particular individual as a result of Contributions to, investment of, or Distributions from an inVEST Account.

Section 529 Qualified Tuition Programs are intended to be used only to save for Qualified Higher Education Expenses. These programs are not intended to be used, nor should they be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax adviser based on their own particular circumstances.

Virginia529 inVEST ACCOUNT AGREEMENT

As of January 1, 2016

1. The Account Owner understands and acknowledges that inVEST Accounts involve investment risk, including the possible loss of principal. The Account Owner understands and acknowledges that inVEST Accounts are not deposits or obligations of, or insured or guaranteed by, the Commonwealth of Virginia or any agency or instrumentality thereof, the United States government, any financial institution, the Federal Deposit Insurance Corporation, or any other agency, entity, instrumentality or person. Past investment results of the underlying investment managers and funds in the inVEST Portfolios offer no assurance of future returns.

2. Any factual determinations regarding inVEST Accounts will be made by Virginia529 based on the facts and circumstances of each case.

3. inVEST Accounts shall be construed in accordance with the laws of the Commonwealth of Virginia and applicable federal law, including 26 U.S.C. § 529, as amended. Venue for any action arising from or relating to inVEST Accounts opened hereunder shall be in a state court located in Chesterfield, Virginia.

4. In the event any clause or portion of the Agreement is found to be invalid or unenforceable by a court of competent jurisdiction, that clause or portion shall be severed from the Agreement and the remainder of the Agreement shall continue in full force and effect as if such clause or portion had never been included.

5. The Agreement, which consists of the Application, the inVEST Account Agreement and the Program Description, as amended from time to time by Virginia529, is the complete and exclusive statement of the agreement between the parties hereto related to the subject matter hereof, which supersedes any prior agreement, oral or written, and any other communications between the parties hereto relating to the subject matter of the Agreement. The Account Owner agrees to be bound by any amendments that Virginia529 may make to the inVEST Account Agreement and the Program Description. Notification of such amendments may be made via Virginia529.com.

6. The Account Owner may, in compliance with the procedures in the Program Description, transfer ownership of an inVEST Account to another individual or entity provided no consideration is given for the transfer. Neither an inVEST Account, nor any interest, rights or benefits in it, may be sold, nor may any interest in an inVEST Account be used as security for any loan.

7. Virginia529 may require that any written documentation, request or any other actions Virginia529 may designate from time to time, be verified under oath.

8. This Agreement is not intended to, nor does it, confer any benefit or legal rights upon any third-party beneficiary. The individual designated as the Beneficiary of an inVEST Account has no independent claim, right or access to any funds in an

inVEST Account solely related to such designation. Payments directly to a Beneficiary will only be made with the Account Owner's specific written authorization for such payments.

9. Account Owners may only change investment options twice per calendar year or when the Beneficiary is changed. inVEST shall provide a separate accounting for each Account.

10. If Virginia529 determines that there has been any material misrepresentation related to the Agreement or the Account, the Account may, in Virginia529's sole discretion, be cancelled. The Account Owner will receive a refund of the current Account balance minus any applicable penalty and fees.

11. The Account Owner assumes all liability for any financial losses related to an inVEST Account. The Account Owner understands and acknowledges that there is no recourse against the Board's members, committee members or its employees individually, or against the Commonwealth of Virginia or inVEST in connection with an inVEST Account. Nothing in this Agreement shall be deemed or construed as an express or implied waiver of the sovereign immunity of the Commonwealth of Virginia or a pledge of the full faith and credit of the Commonwealth of Virginia.

12. Virginia529 shall not be liable for any losses or failure to perform its obligations under this Agreement caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, acts of war, terrorism, strikes, power outages or any other conditions or occurrences beyond its control.

13. Virginia529 cannot and will not provide legal, financial, or tax advice, and nothing herein or in any other written materials shall be construed as such.

Virginia529 inVEST PRIVACY POLICY

As of January 1, 2016

Protecting the privacy of your nonpublic personal information is important to us at the Virginia College Savings Plan (Virginia529). We respect your right to privacy and recognize your trust in us to keep information about you secure and confidential.

1. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications, correspondence, forms and through other forms of communication
- Information about your transactions with respect to your account(s)

2. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may disclose all of the information we collect, as described above, to companies that perform marketing and mailing services on our behalf and to other financial institutions with whom we have joint marketing agreements. These companies are required to adhere to our privacy and security standards and to use the information for the limited purpose for which it was shared.

3. We restrict access to nonpublic personal information about you to those employees and persons who need to know the information in order to provide service to you. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations to safeguard your nonpublic personal information.

4. We reserve the right to modify or supplement this Privacy Policy at any time. If we ever decide to share your nonpublic personal information other than as described above, we will provide you with a notice informing you of the change and, when required by applicable law, we will allow time for you to choose whether you want the information shared.

Virginia529 Web Site Privacy Statement and Disclaimer

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**SUPPLEMENT #1 DATED JANUARY 1, 2016 TO THE VIRGINIA529 INVESTSM
PROGRAM DESCRIPTION & PRIVACY POLICY DATED JANUARY 1, 2016.**

This Supplement #1 provides information on the recent improvements to 529 accounts through passage of H.R.529. These topics are mentioned throughout the Program Description including, but not limited to pages 11, 13, 14, 16, 17 19, 26, and 27 of this document.

Improvements to 529 Accounts

On December 18, 2015, amendments to Section 529 made three substantive changes to 529 College Savings Accounts like those in the Virginia529 inVEST Program:

1. Computers, Peripheral Equipment, Software, and Internet Service are now Qualified Higher Education Expenses as long as certain requirements are met.

Prior to the change in Section 529, in order for a computer to be considered a Qualified Higher Education Expense, a college or university needed to require for matriculation or enrollment that a student have a computer. Under the new requirements, no such requirement is needed. However, in order to qualify as a Qualified Higher Education Expenses under the new law, the computer must be primarily used by the beneficiary during any of the years the beneficiary is attending an Eligible Educational Institution. Printers, Scanners, and certain other Peripheral Equipment are also included too as long as they are, again, primarily used by the beneficiary during any of the years the beneficiary is attending an Eligible Educational Institution. Internet Access and software for the computer is also now deemed a Qualified Higher Education Expense. The software does not include computer software designed for sports, games, or hobbies unless the software is predominately educational in nature.

This new rule applies to all qualifying purchases of computers, peripheral equipment, internet access, and software as of January 1, 2015.

2. Some Refunds Can Now Be Redeposited Into a 529 Account Tax- and Penalty-Free

A refund received from an Eligible Educational Institution of any Qualified Higher Educational Expenses may be recontributed to a 529 account tax- and penalty-free if recontributed within 60 days of the date of the refund. The 529 account into which the recontribution is deposited must be for the same beneficiary for which the original distribution was taken and the recontribution cannot exceed the refunded amount.

Special Rule for Refunds Received During 2015: If you received a refund anytime between January 1, 2015 and December 17, 2015, you may also recontribute those refunded amounts into a 529 account as long as you do so by February 16, 2016. For refunds received on or after December 18, 2015 or later, the refund must be recontributed back into a §529 account within 60 days of the date of refund. Again, the 529 account into which the recontribution is deposited must be for the same beneficiary for which the original distribution was taken and the recontribution cannot exceed the refunded amount.

If you decide to deposit a qualifying refund, please inform us in writing of this decision at or before the time you make the deposit by email (customerservice@virginia529.com), fax (1-888-591-1334), or letter (9001 Arboretum Parkway N Chesterfield VA 23236).

3. Aggregation Requirement Eliminated

Prior to amendment of Section 529 , 529 college savings plans were required to treat withdrawals from all the accounts for the same beneficiary and account owner as one account to calculate the information needed for 1099-Qs (The IRS reporting form for distributions from qualified tuition programs under sections 529). This requirement has been eliminated and we are now assessing how to accurately report 1099-Q information to our customers. As we want to ensure accurate reporting of tax information to customers who have taken non-qualified distributions, we anticipate issuing our 1099-Qs later than normal this year. For our customers who have taken only qualified distributions from their 529 accounts in 2015, there should be no taxes or penalties due on these distributed amounts.

**SUPPLEMENT #2 DATED MARCH 28, 2016 TO THE VIRGINIA529 INVESTSM
PROGRAM DESCRIPTION & PRIVACY POLICY DATED JANUARY 1, 2016.**

This Supplement #2 provides information on the recent addition of DFA Investment Dimensions Group Inc. Emerging Markets Core Equity Portfolio to the list of underlying investments for nine inVEST portfolios. This information is referenced throughout the Program Description including, but not limited to pages 21, 24, 27, 28, 33 and 34 of this document.

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Chart III – Initial Target Asset Allocation of the Age-Based Portfolios

Initial Target Asset Allocation of the Age-Based Portfolios as of 1/1/2015										
Investment Manager	Asset Class	Rappahannock	James River	Eastern Shore	Alleghany	Chesapeake	Potomac	Southside ¹	Blue Ridge ¹	Piedmont
Aberdeen Asset Management, Inc.	Emerging Markets Equity	7.50%	6.25%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Capital Research and Management Co.	International Equity	8.75%	8.75%	7.50%	6.875%	6.25%	3.75%	0.00%	0.00%	0.00%
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	7.50%	6.25%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Invesco Advisers, Inc.	Stable Value	2.50%	7.50%	15.00%	20.00%	27.50%	40.00%	65.00%	100.00%	100.00%
Morgan Stanley Investment Management, Inc.	Global Real Estate	15.00%	10.00%	10.00%	7.50%	5.00%	5.00%	0.00%	0.00%	0.00%
Prudential Investment Management, Inc.	High Yield Bonds	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0.00%	0.00%
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	11.25%	8.33%	6.67%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Stone Harbor Investment Partners, LP	Emerging Markets Debt	5.00%	7.50%	7.50%	10.00%	10.00%	10.00%	10.00%	0.00%	0.00%
Templeton Institutional Funds, Inc.	International Equity	8.75%	8.75%	7.50%	6.875%	6.25%	3.75%	0.00%	0.00%	0.00%
The Vanguard Group, Inc.	Market Fixed Income	7.50%	10.00%	12.50%	15.00%	17.50%	20.00%	20.00%	0.00%	0.00%
The Vanguard Group, Inc.	Large-Cap Domestic Equity	17.50%	17.50%	15.00%	13.75%	12.50%	7.50%	0.00%	0.00%	0.00%
The Vanguard Group, Inc.	Small-Cap Domestic Equity	3.75%	4.17%	3.33%	3.75%	2.50%	1.25%	0.00%	0.00%	0.00%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%

¹ Southside and Blue Ridge are the current transition Portfolios and are closed to new participants. Please see the "Fully Evolved Age-Based Evolving Portfolios" section on pg. 19.

² Funding of the DFA Emerging Markets Core Equity Portfolio began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Portfolio. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Portfolio on April 1, 2016.

Chart IV – Underlying Investments of the Age-Based Portfolios

Underlying Investments of the Age-Based Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	REGX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VINIX

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Portfolio began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Portfolio. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Portfolio on April 1, 2016.

Emerging Markets Equity

DFA Investment Dimensions Group, Inc.’s Emerging Markets Core Equity Portfolio purchases a broad and diverse group of securities associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by Dimensional Fund Advisors LP’s (the “Advisor”) Investment Committee (“Approved Markets”), with an increased exposure to securities of small cap issuers and securities that it considers to be value securities. In assessing value, the Advisor may consider factors such as the issuer’s securities having a high book value in relation to their market value, as well as price to cash flow or price to earnings ratios. The criteria the Advisor uses for assessing value are subject to change from time to time. In addition, the Advisor may adjust the representation in the Portfolio of an eligible company, or exclude a company, after considering profitability relative to other eligible companies. In assessing profitability, the Advisor may consider different ratios, such as that of earnings or profits from operations relative to book value or assets.

As a non-fundamental policy, under normal circumstances, the Emerging Markets Core Equity Portfolio will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities.

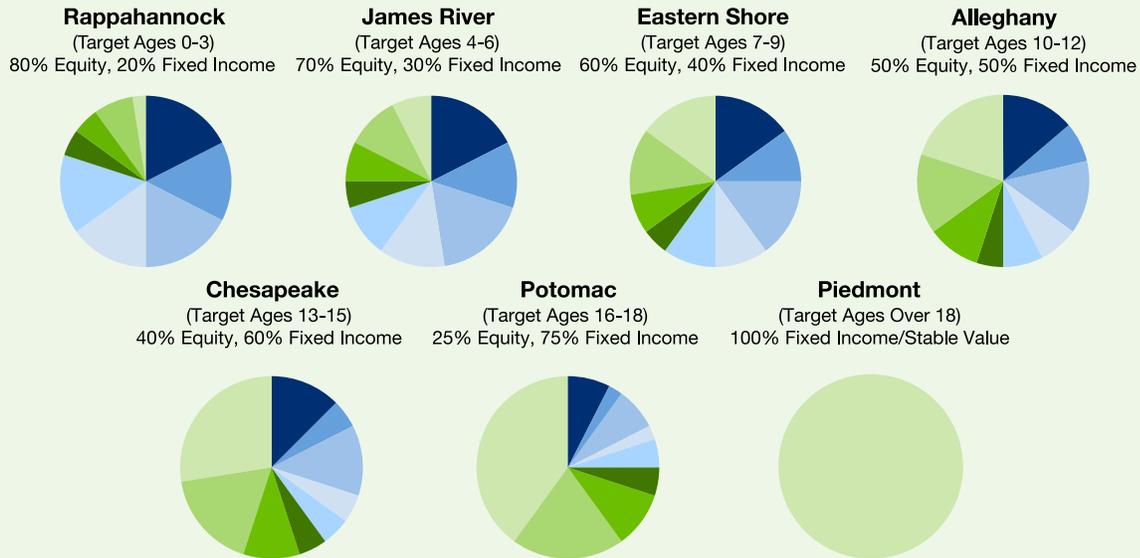
The Emerging Markets Core Equity Portfolio may gain exposure to companies in Approved Markets by purchasing equity securities in the form of depositary receipts, which may be listed or traded outside the issuer's domicile country. The Emerging Markets Core Equity Portfolio may use derivatives, such as futures contracts and options on futures contracts for Approved Market or other equity market securities and indices, including those of the United States, to adjust market exposure based on actual or expected cash inflows to or outflows from the Portfolio. The Portfolio does not intend to use derivatives for purposes of speculation or leveraging investment returns.

The Emerging Markets Core Equity Portfolio may lend its portfolio securities to generate additional income.

The DFA Investment Dimensions Group, Inc.'s Emerging Markets Core Equity Portfolio is primarily subject to foreign securities and currencies risk, market risk, small company risk, emerging markets risk, value investment risk, derivatives risk, securities lending risk, and cyber security risk. Please refer to the Fund's prospectus prior to investing for DFA's full description of these risks at <http://bit.ly/IRIXovJ> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Age-Based Portfolios

NOTE: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official website to learn more. Please also note the investment allocations represented here are only initial target allocations as of 1/1/2015 for each Portfolio. Actual allocations may vary.



Asset Class

Large-Cap Domestic Equity
Small-Cap Domestic Equity
Small-/Mid-Cap Domestic Equity
International Equity
International Equity
Emerging Markets Equity
Emerging Markets Equity
Global Real Estate
High Yield Bonds
Emerging Markets Debt
Market Fixed Income
Stable Value

Investment Manager

The Vanguard Group, Inc.
The Vanguard Group, Inc.
Rothschild Asset Management, Inc.
Capital Research and Management Co.
Templeton Institutional Funds, Inc.
Aberdeen Asset Management, Inc.
DFA Investment Dimensions Group Inc.
Morgan Stanley Investment Management, Inc.
Prudential Investment Management, Inc.
Stone Harbor Investment Partners, LP
The Vanguard Group, Inc.
Invesco Advisers, Inc.

Fund or Separate Account

Institutional Index Fund
Small-Cap Index Fund
Separate investment account for inVEST
American Funds EuroPacific Growth Fund
Templeton Foreign Equity Series
Aberdeen Emerging Market Fund
DFA Emerging Markets Core Equity Portfolio
Morgan Stanley Institutional Global Real Estate Fund
Separate investment account for inVEST
Stone Harbor Emerging Market Debt Fund
Total Bond Market Index Fund
Separate investment account for inVEST

Chart V – Underlying Investments of Actively-Managed Static Portfolios

Underlying Investments of Actively-Managed Static Portfolios							
Investment Manager	Asset Class	Fund or Separate Account	Active Aggressive	Active Moderate	Active Conservative	Socially Targeted Investment	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	7.50%	3.75%	1.25%	0.00%	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	8.75%	6.875%	3.75%	0.00%	REGX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	7.50%	3.75%	1.25%	0.00%	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	2.50%	20.00%	40.00%	0.00%	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	15.00%	7.50%	5.00%	0.00%	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	5.00%	5.00%	5.00%	0.00%	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	11.25%	3.75%	1.25%	0.00%	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	5.00%	10.00%	10.00%	0.00%	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	8.75%	6.875%	3.75%	0.00%	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	7.50%	15.00%	20.00%	0.00%	VBMPX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	17.50%	13.75%	7.50%	0.00%	VINIX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	3.75%	3.75%	1.25%	0.00%	VSCIX
Parnassus Investments	Large-Cap Domestic Equity	Parnassus Core Equity Fund	0.00%	0.00%	0.00%	100.00%	PRILX

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Portfolio began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Portfolio. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Portfolio on April 1, 2016.

Active Aggressive Portfolio – Investment Strategy

The Active Aggressive Portfolio maintains a target asset allocation of 80% equity, 20% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 17.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 11.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 8.75% international equity, managed by Capital Research and Management Co.; 8.75% international equity managed by Templeton Institutional Funds, Inc.; 7.5% emerging markets equity, managed by Aberdeen Asset Management Inc.; 7.5% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 15% global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 5% emerging markets debt, managed by Stone Harbor Investment Partners; 7.5% Market Fixed Income, managed by The Vanguard Group, Inc.; and 2.5% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Aggressive Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

Active Moderate Portfolio – Investment Strategy

The Active Moderate Portfolio maintains a target asset allocation of 50% equity, 50% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 13.75% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-cap domestic equity, managed by The Vanguard Group, Inc.; 3.75% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 6.875% international equity, managed by Capital Research and Management Co.; 6.875% international equity managed by Templeton Institutional Funds, Inc.; 3.75% emerging markets equity, managed by Aberdeen Asset Management Inc.; 3.75% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 7.5% global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 10% emerging markets debt, managed by Stone Harbor Investment Partners; 15% Market Fixed Income, managed by The Vanguard Group, Inc.; and 20% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Moderate Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

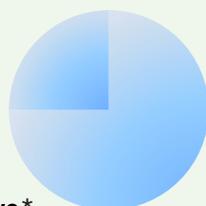
Active Conservative Portfolio – Investment Strategy

The Active Conservative Portfolio maintains a target asset allocation of 25% equity, 75% fixed income. This target asset allocation is comprised of the following Asset Classes and Funds: 7.5% allocation large-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-cap domestic equity, managed by The Vanguard Group, Inc.; 1.25% small-/mid-cap domestic equity, managed by Rothschild Asset Management Inc.; 3.75% international equity, managed by Capital Research and Management Co.; 3.75% international equity managed by Templeton Institutional Funds, Inc.; 1.25% emerging markets equity, managed by Aberdeen Asset Management Inc.; 1.25% emerging markets equity, managed by DFA Investment Dimensions Group, Inc.; 5% global real estate, managed by Morgan Stanley; 5% high yield bonds, managed by Prudential Investment Management, Inc.; 10% emerging markets debt, managed by Stone Harbor Investment Partners; 20% Market Fixed Income, managed by The Vanguard Group, Inc.; and 40% Stable Value, managed by Invesco Advisers, Inc. The majority of the underlying allocations of the Active Conservative Portfolio employ an Active Management strategy. A full description of each underlying Fund's investment strategy can be found in the Age-Based Portfolios section of this document.

Actively-Managed Static Portfolios

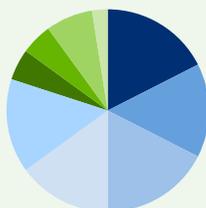
NOTE: The following charts are for illustrative purposes only and should not be the sole source of information used in making your investment decisions. In addition to your own research, please read the complete Program Description and review each Fund's official website to learn more. Please also note the investment allocations represented here are only target allocations for each Portfolio. Actual allocations may vary.

Socially Targeted Investment

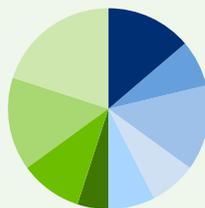


Parnassus Core Equity Fund
 75% Dividend Paying Equity Securities
 25% Non-Dividend Paying Equity, Short Term or Money Market Instruments

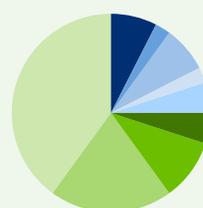
Active Aggressive*
 80% Equity, 20% Fixed Income



Active Moderate*
 50% Equity, 50% Fixed Income



Active Conservative*
 25% Equity, 75% Fixed Income



Asset Class	Investment Manager	Fund or Separate Account
Large-Cap Domestic Equity	The Vanguard Group, Inc.	Institutional Index Fund
Small-Cap Domestic Equity	The Vanguard Group, Inc.	Small-Cap Index Fund
Small-/Mid-Cap Domestic Equity	Rothschild Asset Management, Inc.	Separate investment account for inVEST
International Equity	Capital Research and Management Co.	American Funds EuroPacific Growth Fund
International Equity	Templeton Institutional Funds, Inc.	Templeton Foreign Equity Series
Emerging Markets Equity	Aberdeen Asset Management, Inc.	Aberdeen Emerging Market Fund
Emerging Markets Equity	DFA Investment Dimensions Group Inc.	DFA Emerging Markets Core Equity Portfolio
Global Real Estate	Morgan Stanley Investment Management, Inc.	Morgan Stanley Institutional Global Real Estate Fund
High Yield Bonds	Prudential Investment Management, Inc.	Separate investment account for inVEST
Emerging Markets Debt	Stone Harbor Investment Partners, LP	Stone Harbor Emerging Market Debt Fund
Market Fixed Income	The Vanguard Group, Inc.	Total Bond Market Index Fund
Stable Value	Invesco Advisers, Inc.	Separate investment account for inVEST

*Legend applies only to these Actively-Managed Static Portfolios

**SUPPLEMENT #3 DATED APRIL 29, 2016 TO THE VIRGINIA529 INVESTSM PROGRAM
DESCRIPTION & PRIVACY POLICY DATED JANUARY 1, 2016.**

This Supplement #3 provides information on the recent change in share class of the Vanguard Institutional Index Fund and the Vanguard Total Stock Market Index Fund from Institutional Shares to Institutional Plus Shares for both funds. This information is referenced throughout the Program Description including, but not limited to pages 21, 22, 28, and 30 of this document.

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Chart IV – Underlying Investments of the Age-Based Portfolios

Underlying Investments of the Age-Based Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	RERGX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	N/A
Morgan Stanley Investment Management,	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VIIIX ³

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Fund began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Fund. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Fund on April 1, 2016.

³ Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

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Large-Cap Domestic Equity

Vanguard® Institutional Index Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The Institutional Index Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's (S&P) 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Institutional Index Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. Vanguard Institutional Index Fund is primarily subject to stock market risk and investment style risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of these risks at <http://vgi.vg/1Um5ySS> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Chart V – Underlying Investments of Actively-Managed Static Portfolios

Underlying Investments of Passively-Managed Static Portfolios		
inVEST Portfolio	Fund	Symbol ¹
Aggressive Growth	Vanguard LifeStrategy Growth Fund	VASGX
Moderate Growth	Vanguard LifeStrategy Moderate Growth Fund	VSMGX
Conservative Income	Vanguard LifeStrategy Income Fund	VASIX
Total Stock Market Index	Vanguard Total Stock Market Index Fund	VSMPX ²
Total Bond Market Index	Vanguard Total Bond Market Index Fund	VBMPX
Total International Stock Index	Vanguard Total International Stock Index Fund	VTSNX
Inflation-Protected Securities	Vanguard Inflation-Protected Securities Fund	VIPIX
REIT Index	Vanguard REIT Index Fund	VGSNX

Underlying Investments of Actively-Managed Static Portfolios							
Investment Manager	Asset Class	Fund or Separate Account	Active Aggressive	Active Moderate	Active Conservative	Socially Targeted Investment	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	7.50%	3.75%	1.25%	0.00%	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	8.75%	6.875%	3.75%	0.00%	REGRX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	7.50%	3.75%	1.25%	0.00%	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	2.50%	20.00%	40.00%	0.00%	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Estate Fund	15.00%	7.50%	5.00%	0.00%	MRLAX
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	5.00%	5.00%	5.00%	0.00%	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	11.25%	3.75%	1.25%	0.00%	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	5.00%	10.00%	10.00%	0.00%	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	8.75%	6.875%	3.75%	0.00%	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	7.50%	15.00%	20.00%	0.00%	VBMPX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	17.50%	13.75%	7.50%	0.00%	VIIIX ²
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	3.75%	3.75%	1.25%	0.00%	VSCIIX
Parnassus Investments	Large-Cap Domestic Equity	Parnassus Core Equity Fund	0.00%	0.00%	0.00%	100.00%	PRILX

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Fund began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Fund. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Fund on April 1, 2016.

³ Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

The Total Stock Market Index Portfolio

Investment Risks

Because the Total Stock Market Index Portfolio invests entirely in the Vanguard Total Stock Market Index Fund, the Portfolio is primarily subject to stock market risk and has low levels of index sampling risk. Please refer to the Fund's prospectus prior to investing for Vanguard's full description of risks associated with the Vanguard Total Stock Market Index Fund at <http://vgi.vg/IVELdJH> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

SUPPLEMENT #4 DATED MAY 20, 2016 TO THE VIRGINIA529 INVESTSM PROGRAM DESCRIPTION & PRIVACY POLICY DATED JANUARY 1, 2016.

This Supplement #4 provides information on the recent change in share class of the Morgan Stanley Global Real Estate Portfolio from Class I Shares to Class IS Shares. This information is referenced throughout the Program Description including, but not limited to pages 21 and 28 of this document.

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Chart IV – Underlying Investments of the Age-Based Portfolios

Underlying Investments of the Age-Based Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	REGRX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	N/A
Morgan Stanley Investment Management,	Global Real Estate	Morgan Stanley Global Real Estate Portfolio	MGREX ³
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VIIIX ⁴

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Fund began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Fund. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Fund on April 1, 2016.

³ Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

⁴ Share class transitioned from Class I Shares to Class IS Shares on May 20, 2016.

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Chart V – Underlying Investments of Actively-Managed Static Portfolios

Underlying Investments of Actively-Managed Static Portfolios							
Investment Manager	Asset Class	Fund or Separate Account	Active Aggressive	Active Moderate	Active Conservative	Socially Targeted Investment	Symbol¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	7.50%	3.75%	1.25%	0.00%	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	8.75%	6.875%	3.75%	0.00%	REGRX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	7.50%	3.75%	1.25%	0.00%	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	2.50%	20.00%	40.00%	0.00%	N/A
Morgan Stanley Investment Management, Inc.	Global Real Estate	Morgan Stanley Global Real Estate Portfolio	15.00%	7.50%	5.00%	0.00%	MGREX ³
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	5.00%	5.00%	5.00%	0.00%	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	11.25%	3.75%	1.25%	0.00%	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	5.00%	10.00%	10.00%	0.00%	SHMDX
Templeton Institutional Funds, Inc.	International Equity	Templeton Foreign Equity Series	8.75%	6.875%	3.75%	0.00%	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	7.50%	15.00%	20.00%	0.00%	VBMPX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	17.50%	13.75%	7.50%	0.00%	VIIIX ⁴
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	3.75%	3.75%	1.25%	0.00%	VSCIX
Parnassus Investments	Large-Cap Domestic Equity	Parnassus Core Equity Fund	0.00%	0.00%	0.00%	100.00%	PRILX

¹Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

²Funding of the DFA Emerging Markets Core Equity Fund began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Fund. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Fund on April 1, 2016.

³Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

⁴Share class transitioned from Class I Shares to Class IS Shares on May 20, 2016.

**SUPPLEMENT #5 DATED JULY 1, 2016 TO THE VIRGINIA529 INVESTSM PROGRAM
DESCRIPTION & PRIVACY POLICY DATED JANUARY 1, 2016.**

This Supplement #5 provides the following:

- Updates to Chart I on page 20
- Updates to reflect the recent name change of the Templeton Institutional Funds (TIF) Foreign Equity Series Fund to the “TIF International Equity Series Fund” referenced throughout the Program Description including, but not limited to, pages 21, 23, 24, and 28 of this document.
- Notification of increase to maximum account balance limit per beneficiary across all four Virginia529 programs from \$350,000 to \$500,000, This is referenced throughout the Program Description including, but not limited to, pages 2, 11 and 14.
- Notification of reduction to the inVEST Portfolio Administrative Fee from 0.15% to 0.10%. This is referenced throughout the Program Description including, but not limited to, pages 3, 7, 21, 35, 37 and Supplement 2, 3 and 4.

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Chart I – Timeline of the Age-Based Portfolios

Timeline of the Age-Based Portfolios														
Age-Based Portfolios	Initial Allocation		Anticipated Initial Asset Allocation											
	January 2015		January 2018		January 2021		January 2024		January 2027		January 2030		January 2033	
Rappahannock <i>(Ages 0-3)</i>	80% Equity	Fixed	70% Equity	Fixed	60% Equity	Fixed	50% Equity	Fixed	40% Equity	Fixed	25% Equity	Fixed	0% Equity	Fixed
	20% Income		30% Income		40% Income		50% Income		60% Income		75% Income		100% Income ¹	
James River <i>(Ages 4-6)</i>	70% Equity	Fixed	60% Equity	Fixed	50% Equity	Fixed	40% Equity	Fixed	25% Equity	Fixed	0% Equity	Fixed		
	30% Income		40% Income		50% Income		60% Income		75% Income		100% Income ¹			
Eastern Shore <i>(Ages 7-9)</i>	60% Equity	Fixed	50% Equity	Fixed	40% Equity	Fixed	25% Equity	Fixed	0% Equity	Fixed				
	40% Income		50% Income		60% Income		75% Income		100% Income ¹					
Alleghany <i>(Ages 10-12)</i>	50% Equity	Fixed	40% Equity	Fixed	25% Equity	Fixed	0% Equity	Fixed						
	50% Income		60% Income		75% Income		100% Income ¹							
Chesapeake <i>(Ages 13-15)</i>	40% Equity	Fixed	25% Equity	Fixed	0% Equity	Fixed								
	60% Income		75% Income		100% Income ¹									
Potomac <i>(Ages 16-18)</i>	25% Equity	Fixed	0% Equity	Fixed										
	75% Income		100% Income ¹											
Piedmont² <i>(Over 18)</i>	0% Equity	Fixed												
	100% Income/ Stable													

¹The Portfolios will have an initial target allocation of 100% Fixed Income (65% Stable Value, 20% market Fixed Income, 10% Emerging Market Debt, and 5% high yield bonds) and experience a gradual transition to 100% Stable Value over a two-year transition period. Once the Portfolios reach 100% Stable Value they will remain in existence for a three year period, after which they will permanently close with remaining assets transferred to the Piedmont Portfolio (100% Stable Value).

²The Piedmont Portfolio will not evolve and will remain fixed at its current allocation in the future.

Chart IV – Underlying Investments of the Age-Based Portfolios

Underlying Investments of the Age-Based Portfolios			
Investment Manager	Asset Class	Fund or Separate Account	Symbol ¹
Aberdeen Asset Management, Inc.	Emerging Markets Equity	Aberdeen Emerging Market Fund	ABEMX
Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	RERGX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	N/A
Morgan Stanley Investment Management,	Global Real Estate	Morgan Stanley Institutional Global Real Estate Fund	MGREX ⁴
Prudential Investment Management, Inc.	High Yield Bonds	Separate investment account for inVEST	N/A
Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	N/A
Stone Harbor Investment Partners, LP	Emerging Markets Debt	Stone Harbor Emerging Market Debt Fund	SHMDX
Templeton Institutional Funds, Inc.	International Equity	TIF International Equity Series ³	TFEQX
The Vanguard Group, Inc.	Market Fixed Income	Vanguard Total Bond Market Index Fund	VBMPX
The Vanguard Group, Inc.	Small-Cap Domestic Equity	Vanguard Small-Cap Index Fund	VSCIX
The Vanguard Group, Inc.	Large-Cap Domestic Equity	Vanguard Institutional Index Fund	VIIIX ⁵

¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Portfolio began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Portfolio. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Portfolio on April 1, 2016.

³ Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

⁴ Share class transitioned from Class I Shares to Class IS Shares on May 20, 2016

⁵ Name change of the Templeton Foreign Equity Series Fund to the TIF International Equity Series Fund occurred on 6/30/2016

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TIF International Equity Series Fund

The TIF International Equity Series Fund's ("IES") investment goal is to provide long-term growth of capital. Under normal market conditions, the IES invests at least 80% of its net assets in foreign Equity Securities. IES also invests in depositary receipts, as well as companies located in emerging markets countries, and may invest in debt Securities. From time to time, based on economic conditions, IES may have significant investments in one or more countries or in particular sectors. IES may invest in equity securities of any size company, across the entire market capitalization spectrum. In selecting Securities for IES, the manager attempts to identify those companies that offer above-average opportunities for capital appreciation in various countries and industries where economic and political factors, including currency movements, are favorable to capital growth. When choosing Equity investments for this Fund, the manager applies a "bottom up," value-oriented, long-term approach, focusing on the market price of a company's Securities relative to the manager's evaluation of the company's long-term earnings, asset value and cash flow potential. The TIF International Equity Series Fund is subject primarily to market risk, foreign securities risks, including currency and country risks, developing market countries risk, value style investing risk, focus risk, smaller and midsize companies risk, and management risk. Please refer to the Fund's prospectus prior to investing for Templeton's full description of these risks at <http://bit.ly/21yED8E> or call Virginia529 to have a prospectus printed from the manager's site and mailed to you.

Chart V – Underlying Investments of Actively-Managed Static Portfolios

Underlying Investments of Actively-Managed Static Portfolios							
Investment Manager	Asset Class	Fund or Separate Account	Active Aggressive	Active Moderate	Active Conservative	Socially Targeted Investment	Symbol ¹
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Capital Research and Management Co.	International Equity	American Funds EuroPacific Growth Fund	8.75%	6.875%	3.75%	0.00%	REGX
DFA Investment Dimensions Group, Inc. ²	Emerging Markets Equity	DFA Emerging Markets Core Equity Portfolio	7.50%	3.75%	1.25%	0.00%	DFCEX
Invesco Advisers, Inc.	Stable Value	Separate investment account for inVEST	2.50%	20.00%	40.00%	0.00%	N/A
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Rothschild Asset Management Inc.	Small-/Mid-Cap Domestic Equity	Separate investment account for inVEST	11.25%	3.75%	1.25%	0.00%	N/A
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¹ Ticker symbols provided are for the Fund and may show some variance from the individual Portfolio return. This is due in part to differences in the Expense Ratios of the Funds and the inVEST Portfolios, since the Portfolios include the inVEST Administrative Fee of 0.15%. See "Investment Performance" for more details.

² Funding of the DFA Emerging Markets Core Equity Portfolio began on March 28, 2016 using existing assets of the impacted inVEST Portfolios with approximately half of the funds currently invested in the Aberdeen Emerging Market Equity Fund being reallocated to the DFA Emerging Markets Core Equity Portfolio. New monies invested in the impacted inVEST Portfolios began being allocated to the DFA Emerging Markets Core Equity Portfolio on April 1, 2016.

³ Share class transitioned from Institutional Shares to Institutional Plus Shares on April 29, 2016.

⁴ Share class transitioned from Class I Shares to Class IS Shares on May 20, 2016

⁵ Name change of the Templeton Foreign Equity Series Fund to the TIF International Equity Series Fund occurred on 6/30/2016